

The NATIONAL UNDERWRITER

Life Insurance Edition

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At 55 He Had Earned \$130,000— But Now He's THE MAN NOBODY WANTS



You may have seen such men come into your own office—timid from being turned down so often. If you knew their life stories, you'd discover something well worth thinking about. For many of these men have made a lot of money in their day.

Think of the men in their twenties whom you know—making from \$900 to \$2,000 a year—many of them. From 30 to 55, salaries of four or five thousand are not uncommon. Let's say that many a man earns at least \$130,000 by the time he's 55. Yet how many have anything left to show for it? Worth thinking about— isn't it? You hope to make a lot of money before you're 55. Will you lose it—spend it—be THE MAN NOBODY WANTS?

Why not make certain, instead, that you'll have at least \$100 a month? Start a Northwestern Mutual Retirement Plan now—stick to it—and when you're 55 or 60 you won't be in the position of having to seek a job, if you don't want one. You can be independent.

Fill your name in here

This same Northwestern Mutual plan also protects your family in case you should not live to enjoy this retirement income yourself. You'll look into this sometime, you say? That's what "The Man Nobody Wants" may have said. But his "sometime" never came. Mail us the coupon below. Learn how you can have The Check That Never Fails.

Discerning buyers insure in the 80-year-old Northwestern Mutual—a purely mutual company. Its service has proved so satisfactory that approximately half of all its new business, each year, comes from those who have been previously insured in it. More than 600,000 policyholders own over 3 billion, 725 million, of Northwestern Mutual Life Insurance.

No. D-XF 21957

The Northwestern Mutual Life Insurance Company
Milwaukee, Wis.

PAY 100 DOLLARS A MONTH FOR LIFE
To The Order of

Name _____
Address _____
City _____ State _____ Age _____

The Northwestern Mutual
LIFE INSURANCE COMPANY
A Billion Dollar Estate
MILWAUKEE, WIS.

PRESIDENT
TREASURER

SPECIMEN

This full page Northwestern Mutual advertisement, appearing in the January 9th SATURDAY EVENING POST, is the first in a new series of national advertisements designed to impress prospects with the "money value of a man," and to show how the Northwestern Mutual agent is in position to supplement social security pensions with complete retirement plans, which also afford protection along the way.

FRIDAY, JANUARY 29, 1937

A Statement of the transactions of **National Life Insurance Company** for the year 1936

Here are the figures showing progress made by this Company in 1936

Note: This is a replica of the financial portion of the easily readable and understandable statement mailed to all policyholders on Jan. 22, 1937.)

SOURCES OF 1936 INCOME

New premiums on business written in 1936.....	\$ 267,977
<i>This was \$10,520 more than the new premiums for 1935</i>	
Renewal premiums collected in 1936 were.....	1,121,106
<i>Which is \$42,298 more than renewal premiums for 1935</i>	
Interest received on investments during 1936.....	444,936
<i>These investments include bonds and mortgages and policy loans and the interest thereon totals \$58,618 more than interest receipts in 1935.</i>	
Balance of the Company's 1936 income was.....	202,763
<i>This amount was made up of profits, repayment of agents' balances, dividends left with the company to accumulate and policy proceeds which beneficiaries have ordered us to hold for a time on their account.</i>	
All of these items of income for 1936 total.....	2,036,782
<i>which is \$154,335 more than the income for 1935</i>	

USES MADE OF 1936 INCOME

Of the \$2,036,782 of income there was paid to policyholders and their beneficiaries.....	\$ 687,373
<i>which was \$63,857 less than in 1935. Of the total, \$202,040 was death claims; \$204,372 was for policies surrendered; \$184,547 was policy dividends; \$65,864 was matured endowments; the balance consisted of miscellaneous payments.</i>	
Other payments to policyholders totaled.....	56,419
<i>These included dividends left to accumulate and payments on monthly income or installment policies.</i>	
Commissions to agents and expenses of the Agency Department at the Home Office were.....	151,463
<i>which was \$10,632 more than the 1935 total.</i>	
Medical examinations and inspections of applicants for new insurance in 1936 cost us.....	16,101
<i>This was \$2,352 more than last year.</i>	
Investment expenses incurred in 1936 were.....	49,456
<i>This included looking after mortgage loans; foreclosure costs and care of real estate, and the total was \$8,655 more than in 1935.</i>	
Investment losses by sale and adjustment.....	101,629
Payments to Shareholders.....	110,003
<i>Including \$100,000 paid towards retirement of stock under mutualization plan.</i>	
Taxes, fees and agents' licenses cost in 1936.....	10,896
<i>This total is \$4,425 less than the 1935 figure.</i>	
Total of Home Office expenses for 1936 was.....	161,612
<i>This includes salaries, rent, light, furniture and fixtures, printing, advertising, postage, and was \$11,377 more than the same items cost in 1935.</i>	
This makes total expenditures for 1936 of.....	1,344,949
<i>This accounts for all the 1936 income except \$691,833.</i>	

AN ANALYSIS OF THE ASSETS

We have, above, accounted for all of the Company's income received during 1936 except.....	\$ 691,833
Ledger assets as of December 31, 1935, were.....	8,827,788
<i>Adding the \$691,833 saved during 1936 to this figure we have ledger assets as of the end of 1936 of.....</i>	
	9,519,621

These ledger assets of \$9,519,621 consist of:

Cash—In banks and Office.....	\$ 349,961	More than 1935 by	\$101,088
U. S. Bonds.....	191,502	Less than 1935 by	83,653
Other Pub. Obligation Bonds	799,724	More than 1935 by	179,973
Railroad Bonds.....	639,459	More than 1935 by	112,237
Utility and Misc. Bonds.....	1,549,319	More than 1935 by	120,984
City Mortgages.....	3,073,142	More than 1935 by	328,607
Farm Mortgages.....	633,530	Less than 1935 by	61,975
Real Estate.....	911,863	More than 1935 by	14,030
Policy Loans.....	1,335,116	Less than 1935 by	29,774
Miscellaneous.....	24,705	More than 1935 by	10,546

Mortgages are on real estate in Wisconsin and Minnesota appraised at more than double the amount loaned. The real estate figure of \$911,863 includes \$113,818 sold on land contract on which payments are being made. Bonds not subject to amortization are carried at actual market as of December 31, 1936.

Premiums due and unreported on Dec. 31.....	\$ 176,952
<i>This amount represents premiums on which the grace period had not yet expired or which were in transit to the Home Office. The full reserves were maintained on these policies, hence this is an asset, as is</i>	

Interest due and accrued on investments of.....	115,765
<i>Investments are made throughout the year. A statement for a particular date, to give a true picture, must take account of accruals in interest. Of interest due but unpaid, none is included more than 90 days past due.</i>	

Admitted Assets are these items plus ledger assets, less non-admitted assets of \$35,576, or.....	9,776,762
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WHAT THE ASSETS COVER

The heaviest liability is Policy Reserves of.....	\$8,548,588
<i>This is the amount which the company is required by law to have on hand to meet obligations to policyholders; including supplementary contracts; installment benefits on matured policies, and annuities as well as regular forms of life insurance. It is a mathematically correct amount to cover these obligations.</i>	

Dividends left with the Company amount to.....	460,761
<i>Of these \$450,899 have been left to accumulate at interest to hasten the maturity of policies, reduce the number of annual premium payments, or to have funds for premiums in an emergency.</i>	

Claims as yet unpaid and accrued bills total.....	28,566
<i>We had notice of deaths under policies totaling \$19,704 for which proofs had not been received. The balance is largely for estimated losses not yet reported.</i>	

Miscellaneous Items of Liability amount to.....	191,916
<i>This includes estimated taxes for 1937 of \$32,000, premiums and interest paid before due date, \$51,415. \$100,000 for payment to trustee for stockholders under mutualization plan, etc.</i>	

Surplus to policyholders thus amounts to.....	546,931
<i>Which is the difference between these liability figures and the total assets. This is the margin of safety carried in assets by the Company over and above the legal reserve of \$8,548,588 to fulfill the Company's obligations to policyholders—a margin of nearly 6½%. This surplus is made up of</i>	
Dividends apportioned to policyholders payable in 1937.....	\$197,000
Contingency reserves.....	349,931
<i>A cushion to meet investment losses or extra mortality</i>	
Thus, extra protection for policyholders.....	\$546,931

And so the Total Liabilities balance assets of.....	9,776,762
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Insurance in Force, \$45,305,494 A Gain of \$2,586,922

HOME OFFICE—MADISON, WISCONSIN

Agency Openings in Iowa, Minnesota, Ohio and Wisconsin. For Agency information, write Paul F. Cranefield, Director New Business Department. For Ohio write Ben F. Paugh, 33 N. High St., Columbus.

The NATIONAL UNDERWRITER

Forty-First Year—No. 5

CHICAGO, CINCINNATI, NEW YORK AND SAN FRANCISCO, FRIDAY, JANUARY 29, 1937

\$3.00 Per Year, 15 Cents a Copy

Market No Threat to Life Carriers

Bond Prices Highest in History But Amortization Protects Against Break

BANKS' VALUES FACE AXE

Slump of 15 to 25 Points Not Unlikely Though Defaulted Issues May Gain

NEW YORK, Jan. 28.—While a serious break in the present bond market would do plenty to bank surpluses, it would have no such effect on life companies. It might even be an indirect advantage if the conditions which brought about the hardening of money rates which caused the break, namely a further gain in business activity, resulted in boosting the values of defaulted bonds.

The reason why a sag in bond prices has a different effect on life companies from what it has on banks is that life companies carry their interest-paying bonds on an amortized basis and not at market values. This means that while life companies cannot enjoy the appreciation that results from an excessive bull market in bonds, they are also protected against any recessions in bond prices so long as the bonds remain in good standing.

Effect on Defaulted Issues

The advantage to defaulted bonds in a major break in the quotations on high grade bonds would be that the most likely cause for such a break is increased prosperity resulting in a greater confidence on the part of the investing public and a willingness to buy securities which are outside the ultra-safe classification. This would mean that large sections of the investing public would demand higher returns than are now obtainable on top grade bonds and a drop of 15 to 25 points in such securities might easily result.

Returning prosperity, on the other hand, would decidedly increase the values of defaulted bonds, as it has already done to a very great extent. Bonds which were being quoted at around four or five are now up in the neighborhood of around 30, for example.

Strong Interest in Defaulted Rails

There is a particularly strong speculative interest in defaulted railroad bonds but prices are still relatively low. A real spurt in buying confidence and a more general feeling that business and industry are completely out of the woods should send practically all of these defaulted securities up very sharply.

While the amortization plan takes care of the bond situation, in many quarters it is felt that it would be de-

(CONTINUED ON PAGE 15)

December Sales Gain; Total for Year Off 1.3 Percent

New life insurance production for 1936 was 1.3 percent less than for 1935, according to the Life Presidents Association. December volume showed 2.9 percent increase.

Total new business of 40 companies having 83 percent of the total insurance in force for 1936 was \$8,651,636,000 against \$8,767,886,000 in 1935. Ordinary totaled \$5,371,239,000 against \$5,580,960,000 a decrease of 3.8 percent. Industrial showed an increase with \$2,695,602,000 in 1936 and \$2,521,284,000 in 1935, a gain of 6.9 percent. Group was \$584,795,000 against \$665,142,000, a decrease of 12.1 percent.

In December new production was \$805,077,000 compared to \$782,250,000, an increase of 2.9 percent. Ordinary was \$508,144,000 against \$519,770,000, a decrease of 2.2 percent. Industrial was \$216,363,000 against \$187,874,000, a 15.2 percent increase. Group was \$80,570,000 compared to \$74,606,000, a 8 percent gain.

Paid business figures of companies reporting to the association follow in detail:

MONTHLY COMPARISONS

	Ordinary	1936 Over 1935
Jan. \$ 597,800,000	\$ 447,126,000	-25.2
Feb. 498,756,000	419,392,000	-14.2
March 498,035,000	469,087,000	-5.8
April 463,425,000	459,797,000	-1.8
May 461,303,000	459,544,000	-0.4
June 444,340,000	492,648,000	10.9
July 428,548,000	449,496,000	4.9
Aug. 411,338,000	407,406,000	-1.0
Sept. 356,873,000	387,229,000	8.5
Oct. 459,087,000	442,259,000	-3.7
Nov. 451,685,000	429,081,000	-5.0
Dec. 519,770,000	508,144,000	-2.2
\$5,580,960,000	\$5,371,239,000	-3.8
Industrial		
Jan. \$ 196,255,000	\$ 193,344,000	-1.5
Feb. 209,017,000	212,055,000	1.5
March 235,261,000	246,011,000	4.6
April 228,189,000	244,356,000	7.1
May 215,323,000	230,464,000	7.0
June 205,951,000	233,333,000	13.3
July 203,465,000	220,672,000	8.5
Aug. 208,509,000	221,692,000	6.3
Sept. 190,044,000	208,001,000	9.4
Oct. 233,988,000	232,465,000	-0.7
Nov. 207,408,000	236,846,000	14.2
Dec. 187,874,000	216,363,000	15.2
\$2,521,284,000	\$2,695,602,000	6.9

Group

Jan. \$ 27,348,000	\$ 40,981,000	49.9
Feb. 20,388,000	30,498,000	49.6
March 30,611,000	56,213,000	83.6
April 37,495,000	37,213,000	-0.8
May 50,231,000	59,130,000	17.7
June 39,537,000	42,095,000	6.5
July 267,582,000	79,323,000	-70.4
Aug. 26,524,000	39,540,000	49.1
Sept. 22,501,000	35,601,000	58.2
Oct. 31,338,000	40,507,000	29.3
Nov. 36,981,000	43,124,000	16.6
Dec. 74,606,000	80,570,000	8.0
\$ 665,142,000	\$ 584,795,000	-12.1

Total

Jan. \$ 821,403,000	\$ 681,451,000	-17.0
Feb. 718,161,000	661,945,000	-7.8
March 763,907,000	771,311,000	1.0
April 729,109,000	741,366,000	1.7
May 726,557,000	749,138,000	3.1
June 689,828,000	768,076,000	11.3
July 899,595,000	749,491,000	-16.7
Aug. 646,371,000	668,638,000	3.4
Sept. 569,418,000	630,831,000	10.8
Oct. 724,413,000	715,261,000	-1.3
Nov. 696,074,000	709,051,000	1.9
Dec. 782,250,000	805,077,000	2.9
\$8,767,886,000	\$8,651,636,000	-1.3

RESEARCH BUREAU STUDY

Ordinary life sales increased in 19 states in 1936, according to the Sales Research Bureau. The national total declined 4 percent. Western sections of the United States generally had a better comparative record than other sections in 1936. States where 1936 sales were equal to or better than those for 1935 were: Vermont, Rhode Island, Michigan, Virginia, South Carolina, Florida, Mississippi, Arkansas, Texas, Montana, Idaho, Wyoming, Colorado, New Mexico, Arizona, Utah, Nevada, Washington, and Oregon.

December sales declined 3 percent. Sales in 1936 for December and the entire year are compared below with the 1935 volume:

	Dec. Sales	Total for Year
New England	90	96
Maine	87	92
New Hampshire	123	99
Vermont	101	102
Massachusetts	97	95
Rhode Island	94	100
Connecticut	104	95

(CONTINUED ON PAGE 15)

Exempt Groups Ask Security Coverage

Board's Legal Adviser Says Inquiries Indicate Field for Private Plans

ADDRESSES C.L.U. CHAPTER

Feels Higher Income Brackets Will Be Left Clean For Pension Trusts and the Like

NEW YORK, Jan. 28.—The number of inquiries which have begun to come into the Social Security Board indicates the opportunity opened up by the social security act for the writing of pension plans by life companies, in fields such as religious, charitable or scientific organizations which are not covered by the act, Walter Gellhorn, associate professor of law at Columbia University and legal advisor of the Social Security Board's New York district, told the New York City C. L. U. chapter.

He also said that while quite a few changes may be expected in the direction of efficiency and economy, and although there is strong pressure for increased benefits, it was his personal opinion that the latter type of change would not be in the direction of providing greater benefits in the upper salary brackets but that these fields would continue open to pension trusts and other plans supplementary to the social security act.

Pressure for Bigger Benefits

Making it clear that he was speaking entirely from his personal beliefs and not for the Social Security Board, Professor Gellhorn said that there will undoubtedly be tremendous pressure for increased benefits, particularly during the early years of the plan when people receiving only a lump sum of \$12.50 or \$17.95 will be very much chagrined at the small amount and will feel that such sums are a long way from the government's idea of taking care of people in their old age. Offsetting this pressure for larger benefits, however, he pointed out that the workers are already making a substantial contribution and there would probably be an objection to increasing it, unless the movement to shift the burden entirely or partly off the workers' shoulders should gain headway, along the line of Labor Leader John L. Lewis' pleas. The Social Security Board, he said, is considering a minimum lump sum benefit of \$50 so that workers who would receive less than this amount would not be getting quite so near nothing at all.

Organizations, such as charitable foundations, which are not included in the act, would probably not be inquiring if they could come under its provisions if the social security legislation had not brought to their minds the de-

(CONTINUED ON PAGE 15)

New Paid Business Totals

(From Life Presidents Association Reports)

	Ordinary	Industrial	Group	Total
1913	\$1,651,162,000	\$ 622,909,000	\$ 20,828,000	\$2,294,899,000
1914	1,616,833,000	662,600,000	45,474,000	2,324,907,000
1915	1,721,546,000	697,532,000	47,122,000	2,466,200,000
1916	1,721,075,000	703,743,000	78,720,000	2,903,538,000
1917	2,466,121,000	737,810,000	178,336,000	3,382,267,000
1918	2,571,508,000	793,187,000	246,656,000	3,611,351,000
1919	4,483,759,000	934,807,000	425,574,000	5,844,140,000
1920	5,417,908,000	1,116,522,000	425,737,000	6,960,167,000
1921	4,462,939,000	1,257,759,000	111,083,000	5,831,781,000
1922	4,913,464,000	1,418,801,000	276,428,000	6,608,693,000
1923	5,879,457,000	1,720,054,000	520,045,000	8,119,556,000
1924	6,256,029,000	1,963,554,000	597,765,000	8,817,348,000
1925	7,253,168,000	2,359,174,000	998,784,000	10,611,126,000
1926	7,667,645,000	2,566,059,000	1,050,605,000	11,284,309,000
1927	7,677,963,000	2,667,331,000	824,373,000	11,169,667,000
1928	8,083,910,000	2,692,520,000	1,336,329,000	12,112,759,000
1929	8,684,131,000	2,898,157,000	1,185,364,000	12,767,652,000
1930	8,396,968,000	2,851,129,000	1,092,165,000	12,340,262,000
1931	7,409,815,000	2,797,163,000	796,164,000	11,003,142,000
1932	5,931,327,000	2,320,874,000	357,206,000	7,763,837,000
1933	5,085,757,000	2,527,227,000	497,037,000	8,553,148,000
1934	5,580,960,000	2,521,284,000	665,142,000	8,767,386,000
1935	5,371,239,000	2,695,602,000	584,795,000	8,651,636,000

Life Company Statements Show Noteworthy Gains in Production and Assets

NATIONAL LIFE OF VERMONT

The National Life of Vermont's 1936 production was \$45,637,000, a 19.87 percent increase over 1935. Insurance in force, which has been declining during the depression, was increased by nine and three-quarters millions. Assets increased \$8,766,706 to a new total of \$187,774,530, exceeding liabilities by \$11,166,249. Mortality was the lowest in the last seven years—55.99 percent of expected. Net interest on mean invested assets was 3.83 percent as against 3.53 percent for 1935, regarded as an excellent showing under recent investment conditions. Dividends to policyholders, which are on the same scale as in 1936, will total \$3,609,380. All bonds, totaling \$75,505,215, are free from default except \$8,000 of municipals.

MASSACHUSETTS MUTUAL

The Massachusetts Mutual new statement shows assets \$572,112,958 of which \$123,694,572 are mortgage loans, \$84,903,306 policy loans, \$287,496,844 bonds and stocks, \$57,422,082 real estate, cash \$6,374,088, real estate reserve \$3,000,000, contingency reserve \$2,500,000, dividend reserve \$4,784,907, surplus \$20,049,875, premiums \$69,931,525, total income \$113,399,990, paid policyholders \$45,565,522, total disbursements \$73,662,950, new business \$141,410,115, insurance in force \$1,874,060,619, mortality ratio 56.3 percent, dividends paid policyholders \$9,600,636.

The average yield on \$19,444,579 invested during the year in government bonds was 2.48 percent and on \$80,493,279 in other bonds, 3.69. The average yield on total invested assets was 4.99 percent gross and 4.06 net. The assets increased \$38,888,015. The Massachusetts Mutual has total contingency funds of \$25,549,874. Of its assets 6.94% are in federal bonds, 3.24 in state and municipals, 16.66 railroad, 15.38 electric power and light, 1.12 gas, 1.23 water supply, 1.89 telephone and telegraph, 2.83 industrial, 21.62 mortgage loans, 10.04, including home office building, in real estate, 14.84 policy loans, 1.11 cash.

The new business increased 7 percent during the year. Last year there were 3,845 annuity contracts sold providing annual payments of \$1,708,363. The Massachusetts Mutual has 489,150 policies and 7,802 annuity policies on which the company is paying annually \$2,694,000. In addition it has 25,878 deferred annuity contracts. Exclusive of taxes and real estate expenses the expense ratio was 9.98 percent.

PHOENIX MUTUAL LIFE

The Phoenix Mutual Life assets were over \$200,000,000 Dec. 31, an increase of \$14,489,000. New business was \$53,760,000, an increase of 16 percent. Insurance gained \$20,635,000 as com-

pared with \$6,253,000 in 1935. The insurance that went off the books by lapse and surrender was \$8,000,000 less than in 1935 and was equivalent to 4.7 percent of the total amount in force at the beginning of the year. The corresponding ratio for 1935 was 6.2 percent. The surplus increased by \$1,079,000.

The company purchased \$28,971,000 bonds during the year. Mortgage loans in process of foreclosure amounted to \$1,495,000. Of its assets 2.33 percent are cash; 22.69 federal securities; 4.08 state, county and other government bonds; 8.9 railroad bonds; 13.07 public utility; 1.29 guaranteed and preferred stocks; 1.37 common stocks; 14.01 policy loans; 5.96 farm mortgages; 9.67 city mortgages; 12.3 real estate other than home office. Total gains from insurance operations and investments amounted to \$4,419,000. The surplus is \$7,731,000, there being added \$1,079,000. The assets are now \$209,882,552.

GREAT SOUTHERN LIFE

The Great Southern Life reports substantial gains in 1936. Assets now total \$45,000,000 of which \$5,190,014 are liquid, consisting of \$2,001,193 cash, \$1,839,789 state and county municipal bonds and \$1,349,032 United States bonds. There is a legal reserve of \$39,500,000 and surplus \$4,000,000. Paid life sales in 1936 totaled \$34,000,000, bringing the total insurance in force up to \$233,000,000.

MIDLAND MUTUAL LIFE

The new annual statement of the Midland Mutual shows assets \$25,498,429 as compared with \$23,811,250 a year ago. The policyholders surplus is \$2,159,908 as compared with \$2,009,568. The excess of income over disbursements was \$1,754,764, the total income being \$5,573,053. The insurance in force is \$106,528,294, increase \$3,200,000. The net rate of interest earned was 4 percent as compared with 3.6 percent the year before. The mortality ratio was 44 percent. The Midland Mutual has shown a continuous yearly record of annual gains in assets and surplus in 31 years.

PROVIDENT MUTUAL LIFE

The Provident Mutual Life shows insurance in force \$942,946,000, increase \$8,009,000. The assets are \$315,544,000, increase \$17,027,000. The new business was \$69,187,000. It paid \$25,619,000 to policyholders and has paid since organization \$567,947,000. The mortality ratio was 49.1 percent as compared with 53.6 percent a year ago.

BANKERS MUTUAL LIFE

President J. C. Peasley of the Bankers Mutual Life of Freeport, Ill., in presenting its annual report showed assets \$1,100,000. There was a substantial

gain in surplus. Five branch offices are now maintained in four cities, Chicago, Detroit, St. Louis and Kansas City. Last year it paid \$325,000 to policyholders. President Peasley said that there has been virtually no loss of any invested assets. G. C. French has been elected secretary. The Bankers Mutual is now in its 30th year.

WISCONSIN LIFE

The new statement of the Wisconsin Life of Madison shows assets \$4,866,810, surplus \$234,142, total income \$1,059,034. Its bond account is \$1,674,907, city loans \$1,067,375, farm loans \$72,906, policy loans \$780,721, cash \$57,805, real estate sold on contract \$148,303, other real estate \$656,586, home office building \$284,049. It has paid policyholders and beneficiaries since organization \$5,200,000. The assets increased \$1,843,686 since 1930. The excess in income last year was \$359,139. All departments show a substantial gain.

OHIO NATIONAL LIFE

At the Ohio National Life's annual meeting of stockholders President T. W. Appleby reported great strides in extending and consolidating the agency organization. Written volume exceeded any previous year by about 8 percent. The assets increased \$2,250,000 to a total of \$41,204,057, of which 64 percent is in first mortgages and bonds. Bonds held have a market value of \$1,250,000 more than book value. Insurance in force is now \$177,168,991, with a policyholders excess protection fund, over all required legal reserves of \$2,578,864. Mortality was very favorable and interest earnings were 4.21 percent. Total premium and investment income exceeded \$8,000,000. Policyholders and beneficiaries were paid \$3,100,031.

MANUFACTURERS LIFE

The Manufacturers Life of Toronto shows new insurances and deferred annuities paid for \$52,534,711, bringing the insurance in force to \$532,539,708. Payments to policyholders and beneficiaries totalled \$13,644,692. Of such payments \$9,476,980 was paid to living policyholders, including \$1,875,580 in dividends, while \$4,167,712 was paid in death claims. The assets increased by over \$9,800,000 totaling \$143,685,519. Bonds comprise \$79,153,334; first mortgages on real estate \$26,262,318, of which \$19,532,663, is on urban properties and \$6,729,655 on farm; investments in preferred and common stocks, \$5,990,165. The contingency reserve has been increased by \$500,000 to \$2,000,000. The reserve for dividends to policyholders is \$4,575,000.

The new business was \$56,449,328. The total income was \$30,713,814, of which premiums were \$21,379,244. The disbursements amounted to \$20,645,570.

Its cash on hand is \$1,541,589 and policy loans \$19,293,685. Its real estate amounts to \$6,132,679 of which \$950,000 is home office property. The increase in insurance in force is \$12,583,113. The average amount of insurance in force per policy is \$2,244 and the average annual insurance premium \$74.

CALIFORNIA-WESTERN STATES

New paid for and revived business of the California-Western States Life in 1936 exceeded \$29,000,000, the best since 1932, and a 10 percent increase over 1935. Other highlights of its new statement are a 32 percent decrease in surrenders to predepression levels; a record gain of insurance in force of \$6,099,256 bringing the total up to \$214,337,086; and further increases in surplus bringing the total capital, surplus, and contingency reserve funds up to \$2,272,000.

Premium income increased from \$6,493,613 to \$6,839,863 in 1936. Excess of income over disbursements was \$2,503,097 as compared with \$1,439,235 in 1935. Admitted assets were \$45,903,751, an increase of \$2,625,000. During the year holdings of U. S. government bonds were increased \$2,654,621 and now represent 15.2 percent of the investment portfolio. Certificates of deposit and cash on hand total 2.8 percent.

"This improvement in the company's financial position," President O. J. Lacy stated, "has been achieved in the face of continuously declining interest rates. Sharp reductions in overhead expense have been made both in the home office and in the field. Numerous operating economies have been effected. All premium collection activities have been centralized in the home office at Sacramento. Except for the probable continuance of present low interest levels we regard the outlook for life insurance in 1937 most optimistically."

CENTRAL LIFE OF IOWA

The Central Life of Iowa shows a \$3,408,703 surplus, an increase of \$232,747. Total insurance in force is \$200,829,000, of which \$41,243,000 is Illinois Life reinsurance. Central Life assets total \$42,263,329, a \$2,348,311 increase. Illinois Life fund assets amount to \$11,396,164, the combined assets being \$53,659,493. Net returns from all farms was 2.66 percent, while net return from Iowa farms was 3.7 percent.

PROTECTIVE LIFE

The Protective Life's life insurance in force is over \$90,000,000 as compared with \$78,000,000 in 1935. Group insurance in force totals \$9,357,477. Ordinary life first year premium income was \$258,736 compared with \$226,701; ordinary life renewal premium income, \$1,220,252, an increase of \$1,143,349; group premium income, \$409,098, a \$291,713 increase. Rate of mortality declined. Net admitted assets were \$9,774,344 and surplus \$327,445.

CONNECTICUT MUTUAL

The Connecticut Mutual Life new statement shows assets \$291,429,493, increase \$23,068,478. It will shortly pass the \$300,000,000 mark. Its surplus is \$10,858,886. Its insurance in force is \$939,962,209, increase \$25,805,473. The new premiums are \$2,625,097, increase 1.6 percent. A total of \$4,294,456 was received on single premium annuities and its total premium receipts were \$37,717,376, decrease 2.5 percent. The new business was \$88,688,152, decrease 8.5 percent. The total income reached \$55,626,964 of which \$11,894,826 was from investments. It paid policyholders \$23,907,488.

(CONTINUED ON LAST PAGE)

FIGURES FROM DECEMBER 31, 1936 STATEMENTS

	Total Assets	Change In Assets	Surplus to Policyholders	New Bus. 1936	Ins. in Force Dec. 31, 1936	Change In Ins. In Force	Prem. Income 1936	Total Income 1936	Benefits Paid 1936	Total Disburs. 1936
Bankers Life, Nebr.	41,184,465	+2,135,104	5,862,264	13,711,652	124,328,642	+304,871	3,168,072	7,622,367	3,930,359	5,511,797
Berkshire Life	56,371,274	+2,242,075	1,722,303	16,839,615	206,778,741	+1,083,993	6,929,609	11,075,111	5,487,248	8,521,119
Columbus Mut. Life	27,238,634	+2,072,021	2,128,956	13,061,119	127,631,863	+4,395,477	4,160,143	6,379,526	2,266,616	4,224,931
Farmers & Bkrs. Life	10,706,009	+334,047	675,000	8,684,710	52,680,868	+1,917,222	1,272,649	2,089,683	827,263	1,784,065
Home Life, N. Y.	91,218,291	+4,558,670	4,060,655	35,826,275	362,775,881	+9,062,766	11,077,252	17,596,692	8,505,237	13,510,383
Lamar Life, Miss.	11,926,357	+898,564	700,000	9,751,132	65,399,745	+2,601,943	1,776,885	2,573,892	985,139	1,712,332
Mass. Mut. Life	672,112,958	+38,888,016	25,549,875	141,410,115	1,874,060,619	+22,613,140	69,931,525	113,399,990	46,565,522	73,662,950
Mutual Life, Can.	161,106,208	+8,475,051	7,734,822	44,472,470	537,895,287	+10,523,101	17,213,140	27,676,463	14,051,223	19,710,153
Nat. Fidelity Life, Mo.	5,528,528	+132,035	310,720	1,808,551	27,848,631	+1,329,453	734,559	1,121,931	657,321	990,171
Nat. Guardian, Wis.	9,776,762	+534,238	349,931	5,398,742	45,305,494	+2,586,922	1,389,083	2,036,782	687,373	1,344,949
Ohio Natl. Life	41,204,057	+2,235,238	2,678,864	22,547,111	177,168,991	+1,787,146	5,552,411	8,112,042	3,100,031	5,842,970
Pan-Amer. Life, La.	31,566,148	+2,289,022	1,866,345	18,987,316	156,010,245	+158,441	4,889,513	7,338,735	3,027,010	5,224,404
West. Res. Life, Tex.	689,547	+86,486	179,752	8,917,285	11,305,098	+2,006,029	272,143	307,501	49,417	221,015

¹Does not include contingency reserve of \$345,000.

²Includes contingency funds.

³Includes \$400,000 reserve for investment fluctuations and contingencies.

Extend Grace to Flood Sufferers

Companies Instruct Field Men to Expedite Loans and Otherwise Assist Policyholders

ACTION IS UNANIMOUS

Considerable Deaths, Injuries and Sickness Being Reported in Ohio Valley Disaster

NEW YORK, Jan. 28.—Life companies unanimously are following their usual practice in disasters by granting extensions where floods in mid-western states have made it impossible for policyholders to pay premiums on time. The usual procedure is to allow an additional grace period of 30 days after the normal grace period has expired. The New York Life, for example, in addition to allowing an extra 30 days grace, has also authorized its agency cashiers to make loans to policyholders who are in need on account of the flood on the cash value of their policies up to \$200 without the usual formality of sending the application for the loan to the home office.

Agents and employees in the flooded areas have been asked to assist policyholders who have lost their policies in the flood or who wish to make policy loans. A Red Cross drive for contributions is being made among home office employees and branch offices.

Mutual Life Takes Action

G. K. Sargent, vice-president and manager of agencies Mutual Life of New York, has wired managers at Pittsburgh, Wheeling, Cincinnati, Columbus, Louisville, St. Louis, Nashville, Memphis and Little Rock "if and when because of flood conditions policyholders are unable to pay renewal premiums and policy loan interest, you are authorized until further notice to grant extensions not exceeding 30 days beyond the days of grace."

Additional grace periods will be allowed by the Travelers, it was announced. The Louisville and Cincinnati offices have been closed on account of the flood.

Undoubtedly substantial loss on lives insured under life and accident and health contracts has resulted and may later result from the raging flood in the Ohio river valley and tributaries, both directly and indirectly. It is probable that the total count of fatalities will reach several hundred due to drownings and accidents, alone, and many more will have been accidentally injured or their health impaired by insanitary conditions resulting from the flood and interruption of water service. The flood is believed especially to have hit industrial policyholders, living in lower areas of cities and towns.

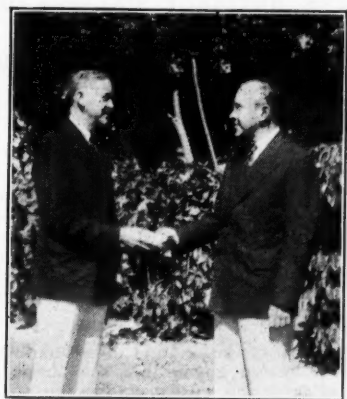
Operations of life and accident and health company home offices in the large flood area have been impaired to some extent if not sharply curtailed, of necessity.

Martial Law in Effect

In Cincinnati a species of martial law under City Manager Dykstra was put in effect, the business activities being sharply limited. Only those in relief work, fire prevention or peace activities were permitted to enter the flooded areas in the city and others were urged to stay at home, business being very largely at a standstill, due to lack of light.

In Louisville martial law existed. All businesses except those on the higher ground were under water, and even

Bankers Men Enrolled as "Jaeger Jubileers"



Vice-President W. W. Jaeger of the Bankers Life of Iowa (left) is shown in this picture receiving from President Gerard S. Nollen of the company the signed "enrollment cards" of its leading producers in the "Jaeger Jubilee" which is celebrating Mr. Jaeger's 15th year as head of the Bankers Life sales organization. The presentation took place at Miami, where the company's leading salesmen, assembled for a senior school of instruction, heard the plans for the "Jaeger Jubilee" announced. Qualifications as a "Jaeger Jubilee" involves a minimum production of \$150,000 of new, issued and paid-for life insurance in 1937.

tenants on higher floors of office buildings were ordered to vacate. One of the leading agencies on the sixth floor of a downtown building was ordered by police to quit its quarters during the period of flood.

(CONTINUED ON PAGE 14)

Comic Opera Has Invaded Ranks of Life Insurance

Comic opera has now made itself manifest in life insurance as it is announced that the Gilbert & Sullivan organization has started in Philadelphia. In the old comic opera days Gilbert & Sullivan presented many choice works that became popular, such as "H. M. S. Pinafore," "Pirates of Penzance," the "Mikado," and others. That, however, was a Gilbert & Sullivan of a different kidney. The new Gilbert & Sullivan organization is composed of G. E. Gilbert, author of a book entitled, "Life Insurance, a Legalized Racket," and James P. Sullivan, formerly of Chicago, who is chief actuary of the Gilbert & Sullivan organization.

Will Get Out Company Reports

The comic opera team is allied with the Marlowe Publishing Company in the Schaff building at Philadelphia. It published "Life Insurance, a Legalized Racket," and it is now engaged in preparation of company reports entitled, "The Life Insurance Reporter & Analyst." It is being compiled and edited by Mr. Sullivan who did the work of the 1936 edition for Dunne's Insurance Reports.

Samuel Markowitz of the Marlowe Publishing Company, in addressing the companies, states that the "Life Insurance Reporter & Analyst" will be radically different from any other reporting book. It will contain complete details on all the phases of the insurance and financial condition and operation of companies. He states that no attempt will be made to rate or grade or classify the companies but the essential and important facts will be given in such a way that the wayfarer can understand

and reach his own decision. Secondly, Mr. Markowitz also claims that the book will be published with the interest of the buyer and beneficiary paramount.

It will be in loose leaf form and therefore purchasers can buy reports and analyses on any particular company. Then it is stated that the complete book will contain the reports of not less than 60 nor more than 100 of the largest companies. It is expected that these reports will commence to be delivered not later than March 20 and the complete report will be in the hands of subscribers not later than May 15. The price of the book is given as \$15.

In the announcement it is stated: "We do not have the belief that all the insurance business is a perfect business. Hence we are not surprised if we find in expenses of operation certain activities which could be improved by change or elimination. Nor are we of the belief that all the individual companies are sound and impregnable. Hence we are not surprised if we find that some are very weak, close to insolvency, others are approaching insolvency, and others are risking their ultimate solvency by unsound operations."

Keep Up the Same Policy

Furthermore it is stated that "It is the practice of the selfishly interested company managers to spread the propaganda that once the policy has been bought in any company the premium payer must at all costs keep that particular policy. Of course the advice that a policy once bought should be kept until death regardless is the very worst kind of advice. It is the kind of advice which has resulted many thousands of times in severe and irrevocable losses to premium payers, but what is much worse to orphans and widows."

Mr. Sullivan's latest activity which attracted public notice was the position of examiner in chief for the Sabbath Congressional committee that was investigating life insurance receiverships.

Three New Vice-Presidents For Jefferson Standard

GREENSBORO, N. C., Jan. 28.—Election of three new vice-presidents took place at the annual meeting of the Jefferson Standard Life. They are: Julius C. Smith, for several years general counsel; Richard C. Kelly, Greensboro attorney and member of the executive board, and Ralph C. Price, who has for a number of years been an executive in the agency division. He is a son of President Julian Price.

U. S. Chamber Meeting

The annual meeting of the United States Chamber of Commerce will be held in Washington, D. C., April 26-29. This is its 25th anniversary. The national council will meet April 26 and the opening session of the chamber April 27.

Coffey Agency Wins Cup

The H. K. Coffey agency of the United Benefit Life and Mutual Benefit Health & Accident, Portland, Ore., won the president's cup for 1936 by producing \$4,850,200 in new life business and 19,250 health and accident applications. The L. J. Marcotte home office agency won the cup for largest increase in percentage in 1936 over 1935.

Stages Campaign for Schilling

The Pittsburgh agency of the Ohio State Life is putting on a campaign in honor of Dr. C. E. Schilling, vice-president and medical director.

Little Old Lady

A nationally known woman underwriter addressing a group of club women:—

"Is your husband's insurance payable to you?" The listeners responded with a "no-need-for-me-to-ask" smile. "Some of you have already asked John if the insurance is all right, and he has assured you, 'It's all right, dear, don't worry!' And he's sincere, he's honest about it, of course. But if, for example, he lived with an aunt before his marriage, and had insured his life for her benefit, or that of her estate, and did not change it at marriage, you wouldn't get a dollar if he died." Smiles fading. "Or before his marriage he might have made it payable to his mother, or to her estate if she died before he did, and not have changed to his wife when he married. If he died, his wife might not get a dollar of it. Make sure that in the policy you are specifically named, and you will be safe." Faces now serious.

After the meeting a little old lady in black said to the speaker, "My husband's life insurance was payable to his aunt, or to her relatives if she were dead when he died, and she died 20 years ago. My husband now is gone,—is there anything I can do about it?"

Life underwriting is a process of continuous and completing service.

THE PENN MUTUAL LIFE INSURANCE CO.

WM. H. KINGSLEY, President

Independence Square

PHILADELPHIA

Berkshire Life Leading Producers Hold Conclave

SPEAKERS LIST IS VARIED

Novel Method of Approach Is Explained; Other Addresses Point Need of Letting Prospect "Sell"

Seventy-five members of the 1936 Rhodes Club of the Berkshire Life met at the home office in Pittsfield, Mass., this week. Two-thirds qualified for senior or junior memberships. They were headed by J. Aronsen, Wolfson Agency in New York and J. E. Morris, Providence, of the Springfield-Providence Agency.

Through their production for the Rhodes Club year ending Dec. 24, the executive officers for the club this year are: Senior associate credited with largest volume of paid business, J. E. Morris, president. S. J. Aronsen, retiring president, while leader in paid volume, according to Club rules cannot succeed himself within a five-year period. Vice-president is Mr. Aronsen.

The senior associate credited with largest number of paid applications is second vice-president, who is S. A. Verminski, Albany Agency. The senior associate credited with paying for largest average application is secretary-treasurer, Bruce Sweet of the Buffalo Agency. The permanent executive secretary is by L. L. Riche of the home office agency, Pittsfield.

President F. H. Rhodes presented special emblems. A diamond emblem was awarded for 10 years consecutive senior membership to N. H. Beaty, Glens Falls, of the Albany Agency; a star emblem for five years, to R. F. Thorne of the Carroll Agency in New York City, and to Senior Associate J. E. Morris for paid production of \$250,000. C. F. Suter, Washington, D. C. agency qualified for a club emblem awarded to first year senior member who produced \$200,000.

Special mention was made of the associates who have qualified for senior membership for 11 consecutive years: H. T. O'Brien, Albany; L. L. Riche, Pittsfield; C. B. Schaefer, Buffalo; T. J. Shannon, W. A. Haberbusch and E. L. Spain, all of the Albany agency.

Speicher Gives Talk

Paul Speicher, editor, of R. & R. Service, Indianapolis, and C. E. Petillon, general agent Berkshire in Minneapolis, were the principal speakers Monday morning. Mr. Speicher emphasized stable service of life insurance under changing economic conditions. Mr. Petillon reviewed the Curtis survey on the business and urged programming on a basis not only understandable but a plan not to be misunderstood. He would reach this goal by letting the prospect under guidance fix his own financial problem and suggest his own solution before presenting the life insurance answer.

Outlines Canvass

Ralph Engelsman, general agent, Penn Mutual, New York City, led a question session Monday afternoon starting on the theme that sale of prestige should always precede an attempt to sell life coverage. "Always take the chill out of cold canvass," he said. Rather than ask for names of prospects from centers of influence, he would go to the center with a name and sell that center on an introduction and recommendation of the agent. That can best be done by expounding to the center the life idea selected for presentation to the prospect and asking for criticism. The center then knows just what the agent expects to say. Should the former object, Mr. Engelsman uses these two questions: "When talking to you about insurance, have I ever said anything to embarrass you? Are you glad you

Swamped with 'Apps'



Yeomen Mutual Life agents throughout the country, celebrating January as "George Wall Month," presented Secretary Wall with a surprise in the form of an avalanche of applications on his birthday. The picture shows Secretary Wall at his desk in the home office, checking applications received. Yeomen Mutual Life officials expect January to be one of the largest months the company has had in recent years.

bought your last policy from me? Explain frankly that what is being sought is a favorable opportunity to tell the story, he said.

An important part of this prestige building procedure is to tell the center of influence that when approaching the prospect, the agent will first express his thanks to the prospect for cooperation of the two friends in introducing him and for use of the prospect's time but adding emphatically that "from now on, what I have to say is strictly a business proposal to be considered on its merits."

Hear Eaton Paper Chief

H. W. Davis, president Eaton Paper Corporation, which publishes the book "Money Sense," spoke on that subject. Assuming a maximum earning power of \$5,800 for a college graduate he advises the young man to buy a \$5,000 dollar policy at 21, another at 25, a third at 30, a ten thousand dollar policy at 35 and another at 40. This program, he said, can be worked out to provide for paying the last premium at 54. The insurance requires setting aside about 20 percent of the earnings up to age 54 and the cash values will then buy an annuity for 86 percent of the average annual earnings for the remainder of life. The program can be sold entirely as a selfish one.

At the president's dinner guest speaker was Prof. Hubert Greaves of Yale, who talked on "Speech and Personality." Speakers Tuesday and Wednesday were W. H. Boiteau, general agent in Boston, on "Juvenile Insurance;" Prof. Borden and Busse of New York University and S. M. Gamble, manager, direct mail division, Massachusetts Mutual Life.

Southern L. & H. President Dies

C. P. Orr, 78, founder and president of the Southern Life & Health of Birmingham, Ala., died there Tuesday after a lingering illness. He was a native of Oshawa, Can., and for years after moving to Alabama in 1881 was British vice-consul. He founded the insurance company in 1890. Four years ago Mr. and Mrs. Orr celebrated their 50th wedding anniversary.

Life Companies Staggered by Decision on Agents' Tax

WAS ENTIRELY UNEXPECTED

Other Cases Being Prepared to Set Up "Independent Contractor" Status of Field Men

The provisions of the social security act imposing a tax for old age assistance were ruled constitutional Wednesday by Federal District Judge Sweeney of Boston. He denied injunction asked against collection of the tax by a stockholder of the Edison Electric Illuminating Co. of Boston.

Great confusion and disappointment was created among life companies by the rendering of an opinion on social security taxation last week by the chief counsel of the internal revenue bureau holding that in the case of a Massachusetts Mutual general agent and agent they were deemed employees under the act and therefore subject to the tax.

The companies had been confident that straight commissioned general agents and agents would be exempted. They felt the case was so obvious that only a favorable decision could result. The opinion makes clear an attitude previously outlined by the bureau to the effect that the exact status of the agent must be determined in the individual case. Undoubtedly this would make it necessary to take up as many test cases as there are companies operating—in fact, as many as there are different types of agency contracts.

There was confusion before this opinion was rendered due to the fact that companies did not know how to account for their agents in their records. Unless they keep the records up to date on a basis of reporting the commissions paid as wages they would have to bring them up to date at some later period with additional expense. If, however, in their home office records they carried the payments to agents on any basis relating to wages, that might be considered an admission the agents were employees and subject to the tax.

Various other test cases are now being prepared. One, it is understood, is by a very large company. It is possible the Massachusetts Mutual case may not be carried further, since it was not the most advantageous case that could have been made out for life insurance. In any event life companies are not pressed to seek an immediate determination since a 60-day extension of unemployment compensation tax payments by employers was granted. However, some feel this leaves hardly enough time to prepare another case and take it up with the bureau.

There are understood to be several profitable lines of attack open to the life companies. They will probably seek a declaratory judgment on some main point involved in the social security act before the District of Columbia district court as soon as a good case has been prepared. It is said it is impossible to secure a declaratory judgment from the court purely on the question of tax, but another angle is on the necessity for filing a return. Still another line of approach is in asking for refund of tax. Both of these points can be carried to court and, it is said, supported by arguments that commissioned agents are independent contractors.

It seems likely that, groping in the

Travelers Companies Show Big Gains in All Lines

RECORD IN ASSETS, SURPLUS

Premium Income of Group Totals \$192,257,129, Income for Year of More Than \$7,000,000

HARTFORD, Jan. 28.—At the annual meeting of stockholders President L. E. Zacher announced that the Travelers, Travelers Indemnity, Travelers Fire and Charter Oak Fire all show gains in both assets and surplus.

The assets of the Travelers stand at \$860,471,355, an increase for the past year of \$72,560,363. The surplus is \$27,524,646, a gain of \$7,456,816. Both figures are the largest in the history of the company. The special reserve for extraordinary losses such as epidemics, depressions and other catastrophes now stands at \$15,617,099. An increase of \$3,476,828.

Big Increase in Premiums

The total premium income of the Travelers companies last year was \$192,257,129, an increase over the preceding year of \$7,462,025 and the total cash income was \$231,453,642, an increase of \$1,215,310.

The past year the Travelers companies continued to invest heavily in United States government bonds and the four companies at the close of the year held \$333,698,309 in such securities, an increase of \$69,529,587.

The Travelers Indemnity shows assets of \$26,831,865, a gain of \$1,095,169; surplus \$6,909,966, a gain of \$624,139, and special reserve \$7,904,524, a gain of \$494,278.

The Travelers Fire reported premiums of \$11,819,069, increase \$1,348,787; assets \$23,837,223, gain of \$2,497,469; surplus \$5,031,973, gain \$810,248. Special reserve was \$3,235,503, a gain of \$685,821.

The Charter Oak Fire shows assets \$1,245,721, gain \$37,742; surplus \$744,557, gain \$36,778.

For the third consecutive year life policyholders paid off more on loans than they borrowed. The high point in policy loans was in 1933. At the end of that year, policyholders had borrowed 21 percent of the reserves on their contracts, while today their loans stand at 16 percent of present reserves.

The life insurance in force at the end of the year was \$4,439,612,833, a gain for the year of \$167,063,772. The new life insurance on a paid basis was \$607,917,276.

dark, life companies will adopt the policy of making a return on the social security tax for all persons admittedly in the status of employees, and will supplement this return with a list of soliciting agents and commissioned agents with commission payments made to them and the explanation that these are not filed as a part of the return for the purpose of levying the unemployment compensation tax, but only for information purposes. In this way the complete data will be in the possession of the internal revenue bureau at the prescribed time and yet the companies will not commit themselves as to the soliciting and commissioned agents.

The Association of Life Insurance Presidents and the American Life Convention, which originally filed briefs with the social security board in Washington arguing that the commissioned life agents were "independent contractors," have not abandoned the fight but are canvassing every possibility of securing a favorable ruling. Even after they have exhausted all other lines of attack they always have the strongest case open to them, that of constitutionality of the social security act itself, and this undoubtedly will be tested by some group in or out of the life insurance business before long.

Preliminary Statement Figures

	New Paid Business		Change in Ins. in Force	
	1936	1935	1936	1935
Bankers Life, Ia.	\$ 63,479,256	\$ 56,704,354	+\$7,799,289	-\$11,684,699
Continental Assur.	27,906,568	39,097,091	+13,875,274	+13,272,749
Farmers & Bankers Life ..	8,684,710	8,585,100	+1,917,222	+902,943
National Life & Accident..	216,892,491	205,271,390	+80,734,482	+58,831,398
Old Line Life	8,126,587	6,248,080	+2,520,789	—491,434
Peoples Life, D. C.	6,323,135	5,103,850	+3,470,285	+2,296,165
Southwestern Life, Tex. ..	45,956,750	48,235,436	+15,171,042	+14,559,523



ANNUAL STATEMENT AS OF DECEMBER 31, 1936

OUR RESOURCES:

Cash	(1.23%)	\$ 508,164.90
This is the amount of cash in banks available for immediate payments of claims or other cash demands.		
Bonds	(37.58%)	15,483,888.90
Government	\$ 991,119.00	
Federal Land Bank and Joint Stock	871,232.25	
State and Municipal	12,011,064.75	
Railroads and Public Utilities	1,244,004.00	
Industrial and Miscellaneous	366,468.90	
Mortgage Loans	(26.72%)	11,009,860.04
First mortgages on improved properties; for not more than 50% of the appraised value of any property except F. H. A. insured mortgages:		
Farm Properties	\$4,921,788.94	
Urban Properties	6,088,071.10	
Policy Loans and Liens	(19.14%)	7,884,863.12
This amount loaned to policyholders on their policies.		
Home Office	(1.08%)	444,205.37
Other Real Estate	(11.23%)	4,628,222.22
Due and Accrued Interest	(1.06%)	435,689.16
Due and Deferred Premiums and Other Assets	(1.96%)	809,163.79
Premiums in process of collection December 31, 1936.		
Total	(100.00%)	\$ 41,204,057.50

OUR LIABILITIES:

Net Reserve	\$ 35,532,630.00
The Amount of the Legal Reserve required by law to assure that all policy obligations will be promptly and fully met.	
Additional Reserve	1,498,693.00
This amount is to guarantee special benefits incorporated in some policies.	
Policy Funds	723,037.64
This amount has been left on deposit with the Company by policyholders.	
Policy Claims	152,315.50
This amount is for payment of policy claims incurred on which final papers had not been received by December 31, 1936.	
Reserve for Taxes	182,965.32
Interest Paid in Advance	190,268.56
Premiums Paid in Advance	151,902.19
Dividends to Policyholders	95,417.20
Dividends on participating policies payable to December 31, 1937.	
Current Accounts and Other Liabilities	97,963.86
Borrowed Money	None
Capital	\$ 828,580.00
Special Reserve for Fluctuation of Mortgage and Real Estate Accounts and Other Contingencies	750,284.23
Unassigned Surplus	1,000,000.00
Policyholders' Excess Protection	2,578,864.23
Total	\$ 41,204,057.50
Insurance in Force	\$ 177,168,991.00
(Paid Basis).	
Paid to Beneficiaries and Policyholders in 1936	\$ 3,100,031.06

GROWTH IN INSURANCE IN FORCE	
December 31, 1926	\$ 64,332,688.00
December 31, 1931	113,356,493.00
December 31, 1936	177,168,991.00

GROWTH IN ASSETS	
December 31, 1926	\$ 7,783,131.33
December 31, 1931	18,427,231.22
December 31, 1936	41,204,057.50

THE OHIO NATIONAL LIFE INSURANCE COMPANY

Cincinnati, Ohio
T. W. Appleby, President

WE MEET AGAIN

The 35th Anniversary Celebration in Nashville

From California they will come; from snow-swept Nebraska, from the shores of the Rio Grande, up through Texas, from the Gulf and Southwestern region, from the South, down from Chicago, Detroit, from Ohio, Pennsylvania, Illinois, from the 21 states this mid-February will come some 500 field representatives of the Company to meet again in Nashville to participate in the colorful ceremonies in celebration of the 35th Anniversary.

When the first "Home Office Convention" was held, forty men—the entire field force—came. Today 500 come, and 2,500 others remain at their posts to carry on the business of the Company.

Yes, the numbers of men have multiplied; the volume of business has surged through well over half a billion in force to an all time high; but one thing remains the same, and will ever remain unchanged: the ideal of the five men who brought this institution into being, dedicated it to the service of the American home. For this institution, in its ever expanding domain, remains but the lengthened shadow of these men and their ideal.

And so we meet again, to renew old friendships, to enjoy new; to rededicate ourselves to those principles which have held our loyalty steadfast through the years, which carry us through the years to the dignity of useful service and successful living.

GROWING GREATER EVERYDAY

The NATIONAL LIFE AND ACCIDENT Insurance Co., Inc.



HOME OFFICE, National Building, NASHVILLE, TENN.
C. A. CRAIG, Chairman of the Board, W. R. WILLS, President



THE SHIELD COMPANY

Ask Extension of Mortgage Moratoriums in Farm States

OPPOSITION IN NEBRASKA

Difficulties Involved in Extension of Measures Are Cited—Many Bills Are Introduced

LINCOLN, NEB., Jan. 28.—Vigorous opposition to the continuance of two more years of the mortgage moratorium in Nebraska was voiced by insurance company representatives and mortgage brokers attorneys at the open hearing on the pending bill. G. A. Bryant of Kansas City, appearing for several companies loaning money in Nebraska, said that the companies are not Shylocks but are willing to go a long way toward keeping the farmer on his farm. They are interested in helping solve his financial problems, not in possessing his land.

Earl Grimes, Kansas City, representing the Union Central Life, said that few of the farmers now being held under moratorium can ever be saved to their owners because the load taken on during the depression is too heavy for one man to carry. Even under court orders the companies are not receiving the monthly rent to which they are entitled under this law. Where an owner has a chance to save himself, the companies are willing to help; where there is no hope for the owner, the companies should be allowed to protect their investments.

Evils Are Cited

Opposition to the bill centered on these points: That speculators have been taking advantage of the opportunity to hold land for price advances; that farmers seldom if ever save their land under the operations of this stay; that in spite of supreme court decisions local district judges are granting moratoriums where the owner has no equity to protect; that the money invested is really that of people of small means who hold insurance policies and mortgage bonds; that less than half the farms in the state are mortgaged and but a small percentage are in foreclosure; that insurance companies offer better terms than the moratorium gives; that the moratorium forces actions to be begun earlier than otherwise because of the long delay in confirmation of sales; that it has defeated its purposes in that it curbs activity in sales and loans.

ASK IOWA EXTENSION

DES MOINES, Jan. 28.—Two bills aiming at extension of Iowa mortgage moratorium laws from March 1, 1937 to March 1, 1939, were introduced in the Iowa assembly:

One bill would extend the regular mortgage moratorium two years and the other would extend for a like period the period of redemption in foreclosure proceedings.

MINNESOTA CONSIDERS EXTENSION

ST. PAUL, Jan. 28.—Prospects now are that the Minnesota mortgage moratorium law will be extended from March 1, 1937, when it expires. A bill providing for a two-year extension has been introduced in the lower house of the legislature and it is believed that it will pass in some form.

THREE BILLS IN MICHIGAN

LANSING, MICH., Jan. 28.—Efforts are on foot in the Michigan legislature to extend for two years from March 1 the existing mortgage moratorium. Three bills, all identical in content, have been offered, two in the house and one in the senate.

INDIANA MORATORIUM BILLS

Mortgage foreclosure and tax sale moratorium bills have been introduced in the Indiana legislature.

Gives Results of Phoenix Mutual's Agency Program

President A. M. Collens of the Phoenix Mutual Life in presenting its annual statement and showing certain well defined results took occasion to review certain developments which he feels have had a decided bearing on what has been achieved. He said:

"In 1914 the company was a pioneer in inaugurating a plan of agency development which was then considered a very radical change. This plan was based on the sound premise that life insurance was of fundamental importance in the financial progress of men and women, that it was not under existing conditions fulfilling its great protective usefulness to policyholders, and that to live up to the character of the business the field representatives must be men of high standards, properly trained in the fundamentals of good counselship.

Drastic Reduction in Sales Force

The development of this new agency plan meant a drastic reduction in the sales force, which in 1914 numbered 1700, many of them on a part-time basis with life insurance a sideline to their other activities. It meant the gradual building of a group of men who were carefully selected and adequately trained for the sole occupation of life insurance. It involved the establishment of agencies under a modern plan of branch office control and the beginning of training courses in the principles and functions of life insurance at the home office and at the agency headquarters. It also meant selection and training of a corps of managers in charge of these branch offices, and the training in the fundamentals of management of a group of supervisors who would be available for vacancies and for the establishment of new agencies.

Would Get Superior Quality

"It was recognized that under this plan the volume of new business and the rate of growth might not be so great during the period of adjustment, but that in due time a sales force of that character through better underwriting and better service would place on the books a business of superior quality which would bring increased benefits to the general body of policyholders. The wisdom of the officers responsible for this foresighted plan and the practicability of their ideals have been thoroughly demonstrated. Today our company has a full-time sales force of 660, including managers and supervisors. They are well trained and are giving our policyholders life insurance and annuity counsel of high professional standards.

What Agents Have Done

"In our judgment, the very favorable mortality experience which this company has enjoyed for many years, the unusually high rate of persistency of our policies, and the remarkable freedom from disputed or contested claims is due, in considerable part, to the character and training of this sales organization. The following comparative figures indicate that the building of this type of agency force has been accompanied with material growth of very substantial proportions."

	1913	1916
Ins. in force....	\$156,316,519	\$179,815,823
Income	7,680,603	8,706,066
Assets	36,166,310	42,393,350
	1926	1936
Ins. in force....	\$473,238,197	\$610,499,294
Income	24,830,036	43,735,250
Assets	101,327,824	209,882,551

After attending the convention of the Connecticut Mutual at Hollywood, Fla., the brothers Fraser went to Nassau for a few days golf and bathing. Peter M. Fraser, agency vice-president, returned by air, while J. M. Fraser, New York City general agent, went back by water and train. This was the eighth season in Nassau for J. M. Fraser.

SOCIAL SECURITY

The past . . . the present . . . the future

Social security, which has recently come strongly into the public mind, is one of the oldest of human ideals. From earliest times, man stored up in good years against the coming of bad years. In modern times he is using life insurance as a triple measure of social security — a backlog against emergencies, a means of saving toward old age, and a protection to his wife and children against the consequences of his death.

The new social security program of the Federal Government will perform an invaluable function. It will provide a more



*The Doorway
to Opportunity*

universal backlog against the disability of old age. Still more important, it will suggest to ambitious men, not content to go toward old age without provision for more than the standard of living available to all, the necessity of building more adequately for the future, and the even more urgent necessity of protecting wives and children. The result will, we believe, be a sharp increase in the use of life insurance. Again, NWNL offers the first published life insurance company statement of the year, based on final, complete figures.

O. J. Arnold
President

52nd ANNUAL STATEMENT OF

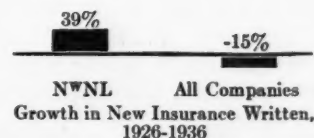
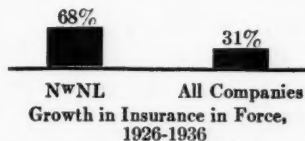
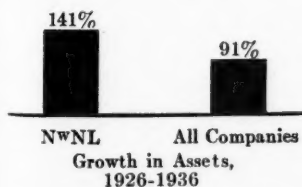
Northwestern National Life Insurance Company of Minneapolis

RESOURCES		December 31, 1936	LIABILITIES	
Cash	(4.6%)	\$ 2,737,350	Reserve on Policies	\$46,454,895
U. S. Gov't Securities	(21.5%)	12,927,034	Death Claims Due and Unpaid	None
Bonds Fully Guaranteed by the U. S.	(6.7%)	4,034,338	Claims Reported but Proofs Not Received	179,670
Canadian Gov't Securities	(.8%)	472,089	Reserve for Claims Unreported	75,000
Other Bonds:			Present Value of Death, Disability, and other Claims Payable in Installments	2,804,823
State, County, and Municipal	(6.2%)	3,731,680	Premiums and Interest Paid in Advance	347,095
Railroad Mortgage Bonds	(7.8%)	4,693,631	Reserve for Taxes Payable in 1937	326,785
Railroad Equipments	(3.3%)	1,992,509	Profits for Distribution to Policyholders	2,080,937
Public Utility	(15.8%)	9,488,554	Asset Fluctuation and other Reserves	2,336,485
Industrial	(.7%)	417,872	Unassigned Funds, Contingency Reserves and Capital:	
Miscellaneous	(.5%)	309,395	Miscellaneous Contingency Reserves	\$1,229,747
First Mortgage Loans:			General Contingency Reserve	1,000,000
Farm Loans	(1.9%)	1,159,166	Surplus to Policyholders (Including \$1,100,000 Paid-in Capital)	3,211,617 5,441,364
City Loans	(6.0%)	3,566,880		
Policy Loans	(15.3%)	9,203,906		
Real Estate (Including Home Office Bldg.)	(4.7%)	2,788,626		
Real Estate Sold Under Contract	(.1%)	79,264		
Premiums, Due and Deferred	(3.0%)	1,795,785		
Interest Due and Accrued and Other Assets	(1.1%)	648,975		
TOTAL	(100%)	\$60,047,054	TOTAL	\$60,047,054

Insurance in Force \$394,639,015

THE TEN YEAR RECORD

1926 - 1936



The record of Northwestern National Life of Minneapolis is outstanding, even when compared with the fine showing of all life insurance companies. In 1935—the last year for which comparative figures are available—it ranked 7th in gain, by amount, in ordinary insurance in force, although it was 33rd in size among the 300-odd life companies in

the U. S. Yet its growth is sound and stable; during the last decade, while its insurance in force was increasing 68% and its assets 141%, its surplus to policyholders and contingency reserves increased 172%. The Company in its operations is universally regarded as typical of the soundest, most progressive life insurance practice.

Pedrick Agency Has Nearly Perfect Conservation Score

YEAR'S RECORD 99.5 PERCENT

John T. Balfe's Letter Asking Return of Lapsed Policies Motivates Procrastinators

NEW YORK, Jan. 28.—Missing a perfect lapse record by less than 1/2 of 1 percent, the William J. Pedrick general agency of the Equitable Life of New York in New York City led all the company's agencies countrywide in percentages of first year business renewing for its second year, the figure being 99.56 percent. Until November the record for the year was 100 percent.

While a high quality of business is undoubtedly a major factor, the letter which John T. Balfe, vice-president of the agency, devised to send out in cases of threatened lapse, has had much to do with bringing back into the fold many who otherwise would have let their coverage drop. When the last day of grace has expired, Mr. Balfe sends out this letter which explains that inasmuch as the coverage is no longer in force, will

the policyholder please send back the policy, and further stating that if the coverage is dropped, the beneficiary will be notified in order to avoid possible misunderstandings later on if the policyholder should die and the beneficiary should assume she was still protected.

Letter Is Tactful

The letter is, of course, written in a very tactful way, so that no policyholder can possibly be offended. It also asks if there is anything that the agency can do to help keep the coverage in force. The agency's lapse record indicates that when the lapse question is put up to policyholders in this way, they respond very readily.

Though a policyholder actually has no more or less right after handing over a lapsed policy, the formality of yielding up the contract seems to impress upon him the seriousness of what he is doing. Sometimes from the replies to Mr. Balfe's letter, it is evident that the policyholder, as long as he hangs on to his lapsed contract, thinks he is going to reinstate it some time soon. He might do so if left to himself, but the Pedrick agency takes no chances on that and follows up closely where the insured has said he wants to keep his policy with the idea of reinstating it soon—which, with sufficient reminding, he usually does.

Fisher to Be Honored at Pennsylvania Days Meet

PITTSBURGH, Jan. 28.—The 1937 Pennsylvania Insurance Days of the Insurance Federation of Pennsylvania will be held here June 3-5. An organization meeting of the executive committee was held here with John S. Fisher, former governor and board chairman of the National Union Fire, presiding. The theme of the convention will be the conservation of life and property.

Jay Jamison, executive vice-president of the Reliance Life, was elected general chairman of the convention committee and R. C. Kneil, also of the Reliance, was named secretary.

Over the objections of Governor Fisher the committee unanimously decided to have the convention in his honor. Mr. Fisher has been president of the Pennsylvania federation for two years.

The funeral of E. L. Coakley, 53, manager of the Kansas City office of the Missouri Insurance Company, who died at St. Joseph's Hospital in his city, was held Monday. He had been head of the Kansas City office for nine years. Before that he was manager of the Chicago office.

A. L. C. Financial Section's Speaking Program Complete

TEN AUTHORITIES SECURED

Papers and Discussions of Main Investment Problems to Feature Chicago Rally Feb. 22

The investment situation confronted by life companies will be thoroughly reviewed by ten authorities in the various fields at the mid-year meeting of the Financial Section of the American Life Convention to be held in the Palmer House, Chicago, Feb. 22. The complete program of addresses was announced by Col. C. B. Robbins, manager and general counsel, as prepared by J. E. McPherson, section chairman and treasurer Business Men's Assurance, Kansas City, who will preside.

Discussions to Be Held

As usual, the set papers, while carefully prepared, will serve as subject material for discussions of company practices and experience, a feature which always makes the meetings especially valuable. The meeting is scheduled to start at 10 a. m., being followed by luncheon. There will be an afternoon session as well, scheduled to begin at 2 p. m. A. B. Cunningham, treasurer Montana Life, Helena, Mont., section secretary, will assist Mr. McPherson. The complete program of formal addresses is:

Program of Formal Papers

"Railroad Bonds," W. P. Coler, actuary American United Life, Indianapolis.

"Analysis of Municipal Bonds," J. W. Johnson, investment research, Minnesota Mutual, St. Paul.

"Competition in the Mortgage Loan Field," Howard Holderness, vice-president Jefferson Standard Life, Greensboro, N. C.

"The Effect of the 1936 Market on Investment Portfolio," T. W. Appleby, president Ohio National Life, Cincinnati.

"Trend of Interest Rates," E. C. Wilkinson, associate manager standard supervisory service, Standard Statistics Company, New York City.

"Recent Court Decisions Relating to Investments in Texas: Usury; Corporate Appointment of Trustee; Common-law Wife; Homestead Evasions; Priority in Bond Issues," J. D. Frank, associate general counsel Lincoln National Life, Ft. Wayne, Ind.

"The Law of Escheat in Oklahoma," E. H. Henning, vice-president Illinois Bankers Life, Monmouth, Ill.

"Policy With Reference to Sale of Farm Lands," A. O. Merriam, vice-president Franklin Life, Springfield, Ill.

"Policy With Reference to Sale of City Property," S. W. Souers, vice-president General American Life, St. Louis.

"Federal Housing Administration Act," A. A. Zinn, vice-president State Life, Indianapolis.

Connecticut General Report

The Connecticut General's 72nd report shows assets \$208,417,564, of which \$104,944,936 are bonds of various kinds, federal being \$31,325,608, other government bonds \$2,154,962. It has \$24,679,700 railroads, \$45,249,853 public utilities, and \$1,534,812 miscellaneous. Its preferred and guaranteed stocks are \$5,338,497 and common, \$3,245,621. Its mortgages are \$32,644,246 and real estate \$25,051,670. Its policy loans are \$23,632,344 and cash \$6,632,061. It carries a contingency fund of \$2,500,000. Its capital stock is \$3,000,000 and net surplus is \$6,064,282. Its new life business was \$165,201,622, increase 19.4 percent. Its insurance in force is \$1,056,559,897, increase \$50,000,000. Its accident premiums were \$2,068,898 as compared with \$1,817,730 and its life premiums \$33,537,787.

Funds left with the company to be paid in lieu of lump sum increased by 48.4 percent. There is an increase of 12.9 percent in income from investments. The total income was \$50,640,254. The assets increased \$19,504,708. Payments to policyholders last year were \$21,098,948, decrease 24.9 percent.

THE GREAT-WEST LIFE

RENDERS ITS ANNUAL ACCOUNTING of services to its policyholders and beneficiaries;

RECORDS, with sympathy to their families, the deaths of over 1,300 of its policyholders during 1936;

WAS PRIVILEGED to pay \$3,750,000, in death benefits, and over \$11,000,000 to living policyholders;

HAS PAID, since it was founded, almost \$183,000,000 to policyholders and beneficiaries;

APPRECIATES the continued confidence of the insuring public, as shown by new business of nearly \$50,000,000;

DRAWS ATTENTION to the total business in force of over \$575,000,000—a substantial gain during the year;

KEEPS WELL IN MIND that it holds in stewardship, for the benefit of policyholders and others, assets of over \$150,000,000;

AND FINALLY reports an increase in surplus, after providing liberal participation returns to policyholders, and after conservatively valuing assets and liabilities.

Important Items for 1936

Business in Force (including annuities)	\$575,844,591
New Business Placed (including annuities)	49,706,207
Total Income	27,301,331
Payments to Policyholders and Beneficiaries	15,147,510
Assets	150,005,674
Liabilities (chiefly to Policyholders)	143,566,739
Surplus, Contingency Reserve and Capital	6,438,935

For complete particulars, write for a copy of the full Annual Report.

EARL M. SCHWEMM, C.L.U. Branch Manager,

1030 Field Bldg., Chicago

THE

GREAT-WEST LIFE ASSURANCE COMPANY

HEAD OFFICE - WINNIPEG, CANADA

National Life & Accident Plans February Meeting

MARKS ITS 35th ANNIVERSARY

Company Closes 1936 With Record Increase in Volume—Other High Points Reviewed

In contrast to the home office meeting of its field force held the first year of its business life, when 40 people gathered representing entire personnel, the 35th anniversary of the National Life & Accident will attract almost 500 field men while 2,500 remain at their posts in 21 states and some 130 cities. From the home office 500 more will join in the celebration planned for the second week in February at Nashville.

Four Founders Active

Four of the five original founders continue in active positions today; the fifth, T. J. Tyne, former general counsel died suddenly from a heart attack in Chicago last November. The four remaining are C. A. Craig, chairman of the board; W. R. Wills, president; C. R. Clements, executive vice-president and R. E. Fort, vice-president and medical director.

The men will be welcomed by officers and entertained by personnel of the home office. Highlights of the celebration will be a presentation of company history by E. W. Craig, vice-president in charge of industrial, and a dramatic account of the company's successful entrance into ordinary life presented by E. B. Stevenson, vice-president in charge of the ordinary. Social activities will be marked by a dinner-dance. Arrangements for entertainment program are being supervised by C. R. Clements, Jr., who has rapidly risen in company affairs.

Territorial Luncheons

An interesting function will be luncheons of the three territories: south, managed by G. C. Lynch, north, George D. Wright and west, led by Vice-president W. H. Julian, Associate Manager N. T. Webb. Special sight seeing tours have been arranged. Of interest will be the tour conducted through the company's giant radio tower, WSM, which rises 878 feet.

Sets 1936 Record

As a climax to the 35th year the company closed 1936 with the greatest volume of business increase in its history, going well over last year's figure of some \$57,000,000 increase in force. Total volume on the books now exceeds well beyond the half billion mark. In 35 years assets have risen from just \$36,000 in 1902 to more than 40 million at the end of 1936, though final figures have not been released.

Not Yet 5 Years Old, Davis Agency of Phoenix Is No. 3

NEW YORK, Jan. 28.—The Sam P. Davis agency of the Phoenix Mutual Life in New York City went through 1936 with an "undefeated season," achieving its goal of registering an increase every month over the corresponding month of 1935, leading all agencies of the company for December and ranking No. 3 for the entire year. Mr. Davis took over the agency four and one-half years ago, starting virtually from scratch.

The task of beating every corresponding month of 1935 was no small job, for though the percentage increase in some months was around 50 percent, there were two months—May and July—which with all the effort expended only showed a gain of 1 percent. December was the big test, however, for December, 1935, had been the biggest month of that year. However, the

agency came through with a 35 percent increase.

In addition, Mr. Davis had the gratification of seeing I. Austin Kelly III, who had been in the business only three years, win the premium leader cup for the entire country for 1936. Of the agency's December issued business of \$1,300,000 more than 33 percent was prepaid, with an average policy for the entire amount of \$6,696. The office has

a consistently high average policy. The Davis agency now has 29 agents, among whom 27 different colleges are represented.

Roy Harris in New Post

Roy R. Harris, who has taken his new post as manager of the Fidelity Mutual at Little Rock, was a leading salesman of the J. T. Thompson agency of the

Mutual Life of New York. He replaces Fred Poe, whose resignation was announced some weeks ago. Mr. Harris, a native of Little Rock and an insurance salesman 10 years, has attracted attention by winning in several production contests.

E. W. Stephens, formerly of the National Guardian Life agency department, has joined the Main Insurance Agency in Madison, Wis.

The Midland Mutual Life Insurance Company

Columbus, Ohio

Comparative Summary of 30th and 31st Annual Statements

ADMITTED ASSETS

	Dec. 31, 1935	Dec. 31, 1936
Ledger Assets	\$23,061,759.28	\$24,803,967.55
Interest Due and Accrued	256,559.24	236,040.70
Premiums Due and Deferred	484,668.24	458,421.01
Due from Reinsurance Companies	8,263.00	none
	<u>\$23,811,249.76</u>	<u>\$25,498,429.26</u>

LIABILITIES

Policy Reserves	\$19,108,061.00	\$20,393,793.51
Policyholders' Funds	1,839,097.22	2,095,526.96
Policy Claims, Proofs Incomplete	59,514.95	48,325.89
Dividends to Policyholders	573,242.92	564,957.99
Interest and Rents Paid in Advance	104,489.68	123,123.02
Miscellaneous Liabilities	117,275.14	112,794.16
	<u>\$21,801,680.91</u>	<u>\$23,338,521.53</u>
Policyholders' Surplus	2,009,568.85	2,159,907.73
	<u>\$23,811,249.76</u>	<u>\$25,498,429.26</u>
Excess of Income over Disbursements	1,502,084.34	1,754,764.44
Total Income	5,145,363.32	5,573,052.53
Insurance in Force	\$103,358,617.00	\$106,528,294.00
Net Rate Interest Earned (%)	3.6	4.0
Actual to Expected Mortality (%)	34.3	44.0

In the past seven years the Company's admitted assets increased 39.8% and the policyholders' surplus 64.5%.

From the \$55,633,789 paid in by policyholders, the Midland Mutual Life has returned to its policyholders \$29,519,943.52 and now holds admitted assets of \$25,498,429.26 for future payments. The amount returned to policyholders together with the amount held for future payments to them is 98.89% of the total premiums collected.

The Midland Mutual Life has an unbroken 31-year record of annual gains in assets and policyholders' surplus.

Guardian Has Rally of 17 Managers at Sea Island

With a four day session at Sea Island, Ga., for managers in the territory from Baltimore to Shreveport, La., the Guardian Life completed a series of managerial conferences to launch the new year. From the head office to Sea Island went Vice-president James A. McLain; Superintendent of Agencies Frank F. Weidenborner, Assistant Superintendent George Mendes, and Dr. M. B. Bender, medical director. Sev-

enteen managers attended. The first of the conferences was held in Denver. Then there were two in New York.

M. J. Harrison Takes Office

LITTLE ROCK, ARK., Jan. 28.—M. J. Harrison has office as insurance commissioner. He appointed Guy E. Williams of Lonoke, former assistant attorney general, as deputy commissioner and state fire marshal and J. W. Hatley, formerly of Prescott, assistant commissioner, a position he has held for the past 10 or 12 years.

Atlantic Life's New Owners Have a Constructive Record

ACTIVE IN SMALL-LOAN FIELD

Have Bought Companies as Investments, Augmenting Their Strength as Members of United Group

NEW YORK, Jan. 28.—While the history of purchases of life companies by interests having solely the financial viewpoint has in general not been a happy one, observers who have been following the Atlantic Life deal see conditions in this case which warrant an optimistic view.

The great danger when insurance companies get into the hands of those who are not primarily insurance men interested in operating it as an insurance company is that having paid too high a price for their purchase, they will try to get their money out by means which are not to the best interest of the company and the policyholder.

No Stock Juggling

However, in the Atlantic Life purchase the record of the buyers is not one of stock juggling or attempts to make financial profit without making any real economic contribution to the welfare of the companies they control. Their principal field has been the industrial loan business where they have purchased a number of individual companies as investments with the idea of augmenting their value and efficiency through membership in a large and financially strong group.

The fact that the interests behind the Atlantic Life are closely affiliated and work harmoniously with those behind the Bankers National Life of New Jersey is regarded as a highly favorable omen. There never has been any suggestion that the New Jersey company was influenced in any but a favorable way by its owners.

Statement Is Made

The Bankers National Investing Corporation has issued the following statement about its purchase of the Atlantic Life:

"The purchase of stock control of Atlantic Life of Richmond, by Bankers National Investing Corporation has naturally given rise to much speculation and many rumors regarding the intentions of the purchaser. This statement is made for the purpose of setting out clearly the basis upon which Bankers National Investing Corporation approaches its new obligations.

"The first and most important responsibility of any life company is to its

Exceeds Million Mark in Benefit Checks Issued

HARTFORD, Jan. 28.—In 1936 the Travelers companies for the first time exceeded the 1,000,000 mark in the number of checks and drafts issued to pay benefits on outstanding policies. The average number distributed each business day was 3,343. Since their organization the companies have paid more than \$1,500,000,000 in benefits, and the past seven years, since the start of the depression, \$750,000,000. The companies have in their home office claim department and in 198 locations throughout the United States and Canada 1,461 salaried employees.

policyholders and their beneficiaries. The second responsibility is to the organization of men and women who, in the field and at the home office, are devoting themselves to the service of the public through the medium of the company they serve. No individual and no organization is worthy of the control or management of a life insurance company unless these two responsibilities are recognized and scrupulously observed. Bankers National Investing Corporation is thoroughly aware of these responsibilities. It undertakes to observe them in the spirit of a trustee.

Will Strengthen Atlantic Life

"The Atlantic Life has had honest and capable management of unquestioned integrity throughout its history. It has been carefully and lovingly built into the life of the south. Bankers National Investing Corporation hopes to contribute constructively from its own special resources and skill to the vision of the founders and those who have carried the company thus far. The Atlantic stands well with its more than 50,000 policyholders, its hundreds of employees and representatives, and with the public.

"The sole purpose and intention of the new owners of its stock is to carry on, and to continue the development of an institution which will fulfill its every obligation in a manner pleasing to those indirectly interested as well as those whose interest is direct. The stock of the Atlantic is not for sale."

A. Z. High, Jr., with Mutual Life

Alexander Z. High, Jr., former San Francisco manager Manufacturers Life, has joined the Mutual Life of New York as personal producer. For years before going with the Manufacturers, Mr. High was leading producer there for the Guardian Life.



GUESTS OF HONOR

"My wife and I took a trip out to see our married daughter last week. We had a very pleasant visit with them. They wanted us to stay longer, but we'd made plans to drive on to Yellowstone Park.

"After we left, my wife got to talking about how lucky we are. She said there aren't many parents who can walk into the homes of their married children with a complete feeling of independence. I've often wondered myself how many of them are really welcome? Treated like honored guests, and coaxed to stay longer, as we were?

"I've seen plenty of the other kind, so I know what an awful burden dependent parents can be on their

married children. They're the cause of lots of friction too. It must be dreadful for the parents—getting old and forced to rely on somebody else for their food and shelter.

"My wife and I escaped that tragedy. We came and go as we please. We always pay our own way. So we can hold our heads up with the pride of people who know that they're guests of honor—and not burdens on anybody.

"It isn't luck, though. I'd hate to depend on luck for anything as important as financial independence. I would much rather rely on those good old monthly checks we get from the New England Mutual!"

Would you like to know how easily you can provide yourself with a cash income at 55 or 60? Write to Dept. A for our interesting new booklet, "How You Signed the Declaration of Independence?"

NEW ENGLAND MUTUAL
LIFE INSURANCE COMPANY OF BOSTON

GEORGE WILLARD SMITH, PRESIDENT
BOSTON'S FIRST CHARTERED MUTUAL LIFE INSURANCE COMPANY—AND STILL PIONEERING

HAVE YOU SIGNED
YOUR
Declaration of Independence?

At sixty-five one man out of seven is financially independent—the other six must ask for help or keep on working.

INTRODUCING the first of our 1937 series of advertisements in national media; also the new booklet offered to the public. Copy sent on request.

NEW ENGLAND MUTUAL LIFE INSURANCE COMPANY
Boston, Massachusetts

GEORGE WILLARD SMITH, President

THE WEEK IN INSURANCE

Inquiries received by Social Security Board indicate that many exempt employers are in market for private pension plans. Page 1

Amortization provision is effective hedge against life company surpluses being affected by severe slump in record bond market. Page 1

Publicity in Rhine case arouses policyholders about dividend differentiation between disability and non-disability contracts. Page 12

Gilbert & Sullivan enter the life insurance field. Page 3

Speaking program for American Life Convention Financial Section midyear meeting at Chicago Feb. 22 is completed. Page 8

Record of Atlantic Life's buyers is a constructive one in previous purchases. Page 10

Considerable loss to life and accident and health companies believed to have resulted from Ohio river floods. Page 3

Fedrick agency of Equitable Life of New York leads company in persistency. Page 8

W. H. Williamson of Bureau of Old Age Benefits points out need for protection at age 65. Page 24

Executive Vice-president P. K. Lutken of the Lamar Life becomes its president. Page 12

Dr. H. W. Cook, Northwestern National Life, speaks on underwriting difficulties before Pittsburgh agents. Page 17

Texas Senate investigating committee reports on life insurance. Page 13

Top producers of Berkshire Life hold annual Rhodes Club meeting at the home offices in Pittsfield, Mass.; hear speakers from various walks of life. Page 4

People associated with the Public National Life of Little Rock get control of the Republic Life of Texas. Page 17

The Central Y. M. C. A. College in Chicago offers an evening course for buyers of insurance. Page 21

Illinois Fraternal Congress meets for discussion of insurance code; hears talk by Assistant Illinois Director Davis; debates criticism of administration of President D. T. Winder. Page 25

Dr. H. W. Cook Gives Some Hints on Underwriting

SPEAKS TO PITTSBURGH MEN

Northwestern National Life Official Points Out Lack of Uniformity Among the Companies

Presenting some entirely different and original slants on "Current Underwriting Difficulties," Dr. Henry W. Cook, vice-president and medical director of the Northwestern National Life, addressed a meeting of the Pittsburgh Life Underwriters Association. With frankness, Dr. Cook admitted that the men in the home offices, including medical directors, are not always 100 percent right, but he stressed the fact that at least their intentions are always good. Mistakes in acceptances, as far as underwriting risks are concerned, may occur either in the field or in the home office. Mistaken acceptances are costly to the company; mistaken rejections are costly to the agent and to the prospect, as well as to the company. The speaker advocated closer contact between home office medical forces and field forces.

Lack of Uniformity

From a home office standpoint, there is a definite problem insofar as lack of uniformity in treatment of risks or applicants with various companies is concerned. For instance, the same person applying for insurance in two different companies, may make varying answers on his application. The examiner's reports and opinions may vary. The physical condition of the applicant himself may change from time to time. There has been a general feeling among agents that the home offices have lately tightened up in the selection of risks. The truth is that the mortality rate in a great many instances has increased. The life companies are really more inclined than ever to give the "breaks." During the recent depression more impaired risks applied for insurance. More people were impaired because of the stress and strain of the times. Agents were hungrier for business and were inclined to submit more borderline cases.

Communicable Diseases Decrease

By the use of charts and diagrams, Dr. Cook pointed out the fact that communicable diseases, such as tuberculosis, are on the decrease in this country, while, on the contrary, cardiovascular disease and degenerative diseases such as those of the kidneys, pancreas and arteries are on the increase. This condition he attributed to the fact that the average business man or executive today is under a greater strain and pressure than in the past. He pointed out, for example, that the life expectancy of the presidents of the country before the Civil War was seven years more than that of the presidents following the war.

Dr. Cook concluded his talk by exhibiting some of his famous "spare parts," including a normal-sized heart and a greatly enlarged heart, a section of a brain showing a broken artery, which is the cause of apoplexy, and other organisms which, in a very startling way, brought to the attention of those present the importance of one's physical condition in relationship to acceptance as an insurance risk.

Kemp in Cincinnati

President A. N. Kemp of the Pacific Mutual met a group of about 75 representatives of his company from the Ohio valley section in Cincinnati. A number were prevented from attending because of floods. Mr. Kemp presented awards to C. B. Hochstadter and R. E. Denman, Cincinnati, for their work in

leading the entire agency force of the company in 1936. Mr. Kemp expects to spend about two weeks on a southern field trip before returning to the home office.

May Not Appeal Tax Ruling

Arkansas probably will not appeal the supreme court decision at Little Rock that fraternal were exempted from the 2½ percent premium tax. The ruling was decisive, six to one. Dismiss petitions probably will be filed by counsel for others of the 30 societies affected by the test cases of the Modern Woodmen, Maccabees and Woman's Benefit. Total tax claimed from all societies is about \$1,600,000.

Word from Oklahoma, however, is that the state is ready to proceed with the suit against the Woodmen of the World in a test case involving about \$2,000,000 of tax claimed due from societies.

Poorman Made a Director

Policyholders of Central Life of Iowa elected W. F. Poorman, actuary since 1925, and vice-president since 1933, a director. He is secretary of the American Institute of Actuaries of which he has been a member since 1925.

Agent's Record Presents a Picture of His Work

The Equitable Life of New York gives the record of V. W. Peck of the Croxson agency of Omaha, as a very careful point was made in chronicling the various items. The record is:

Total number of calls.....	1,829
Total number of interviews.....	250
Total number of sales.....	52
Average first-year commission on each sale.....	\$ 56.80
Average volume, per sale.....	\$ 3,996
Total written volume for the year.....	\$207,856
From this, he figured that:	
Each call was worth.....	\$ 1.61
Each interview was worth.....	\$ 11.81
It took 7 3-10 calls to get an interview.	
It took 4 8-10 interviews to make a sale.	
Mr. Peck qualified for the \$200,000 corps in 1936.	

Dating Must Be Uniform

LANSING, MICH., Jan. 28.—Reported manipulation of rates for life coverages by "dating back" policies so that a different age rate is effective has brought a warning to all life companies from the Michigan insurance department to the effect that each company must maintain a uniform policy for all individual applicants in order not to violate the anti-discrimination laws. "If it is

the practice of a life company to rate all applicants at age last birthday, the law is sufficiently broad to permit such practice, but where the practice of a company is to rate applicants at age nearest birthday on the actual date of application, such practice must be uniformly applied to all applicants and any deviation from this practice is in contravention to the laws of this state relative to discrimination," said Mr. Gauss. "Therefore, if the rates and values are based on age nearest birthday and it is the practice of the company to issue policies at age nearest birthday, no policy may purport to be issued to any individual insured at an age younger than his age nearest birthday, according to the actual date of the application."

Won't Abolish Quebec Department

MONTREAL, Jan. 28.—No permanent appointment has yet been made to succeed the late B. A. Dugal, provincial insurance superintendent, but his assistant, J. A. Paradis, is acting head. The premier of the province has definitely stated, in response to rumors that the department would be abolished, that it will continue.

L. H. Richardson, 64, with the Amicable Life of Waco, Tex., since its organization, died at his home there.

Massachusetts Mutual Life Insurance Co.

SPRINGFIELD, MASSACHUSETTS

Organized 1851

COMPARATIVE SUMMARY OF ANNUAL STATEMENT FIGURES

ASSETS		December 31, 1935	December 31, 1936
Ledger Assets		\$510,142,154	\$552,883,174
Interests Due and Accrued.....		11,282,782	7,651,700
Premiums Due and Accrued.....		11,800,006	11,578,083
		\$533,224,942	\$572,112,957
LIABILITIES			
Policy Reserves		\$412,155,115	\$440,240,634
Policyholders' Funds		89,659,015	97,137,180
Policy Claims in process of Settlement.....		1,632,029	2,018,383
Dividends to Policyholders.....		4,847,756	4,784,907
Taxes due		1,665,789	2,090,951
Miscellaneous Liabilities		345,548	291,028
		\$510,305,252	\$546,563,083
Special Reserves		4,194,578	5,500,000
		\$514,499,830	\$552,063,083
SURPLUS		\$ 18,725,112	\$ 20,049,874
TOTAL CONTINGENCY FUNDS.....		\$ 22,919,690	\$ 25,549,874

On December 31, 1936, the Company

had in its Offices and in Banks

Cash Balances of over

SIX MILLION DOLLARS

and held more than

THIRTY-NINE MILLION DOLLARS in United States Government Bonds

During the year 1936 the Company

Paid to Policyholders and Beneficiaries

the sum of

FIFTY-SIX MILLION DOLLARS

During the year 1936

the Cash Receipts of the Company were over

NINETY MILLION DOLLARS

in Excess of Cash Disbursements

Smrha of Nebraska Now Kicks Over the Traces

LINCOLN, NEB., Jan. 28.—Insurance Director Smrha says that he will not abide by the action of the National Association of Insurance Commissioners in grouping Nebraska with Texas, Arkansas, Oklahoma, Kansas, New Mexico, Colorado and Wyoming, in Zone 5. He says that Nebraska is not linked in insurance interests with more than two or three of these states, whereas the largest volume of business in the state is done by eastern and midwestern companies in the examination of which the state is vitally interested. He said that he would exercise his prerogative of sending examiners where the interests of Nebraska policyholders are located, and that he did not believe geographical locations should govern the assignments recommended by the commissioners association.

C. W. Gamerding Promoted

HARTFORD, Jan. 28.—C. W. Gamerding has been promoted from assist-

ant secretary to secretary of the group department of the Travelers. He was born in Poquonock, Conn., and was graduated from Trinity College in 1910 as valedictorian of his class. In college he took honors in mathematics, modern languages, general scholarship, and was elected to Phi Beta Kappa. Upon completing his college work he entered the employ of the life actuarial department of the Travelers, and in 1915 became a member of the Actuarial Society of America. He was appointed an assistant actuary of the life department in January, 1916, and became a Fellow of the Actuarial Society the following year. In 1919 he was assigned to actuarial work in connection with group insurance and in January, 1925, made assistant secretary of the group department.

Complete A. L. C. Committees

Committee appointments of the American Life Convention for 1937 have been completed, personnel of three committees being announced by Col. C. B. Robbins, manager and general counsel. Chairmen are: Credentials, Albert Short, president Girard Life, Philadelphia; medical examination, Dr. D. B. Cragin, medical director Aetna Life; public relations, A. F. Hall, president Lincoln National Life, Ft. Wayne, Ind.

Rhine Case Publicity Rouses Policyholders on Dividends

DIDN'T KNOW OF LOWER SCALE

Difficult for Them to Understand Workings of Contribution Plan in Setting Schedules

NEW YORK, Jan. 28.—Although the recent decision by the New York court of appeals finally upholding the right of companies to differentiate between dividends to policyholders with and without income disability provisions has settled a troublesome question favorably to the companies, the attendant publicity has had the effect of provoking a considerable amount of letter writing by policyholders who for the first time realized that they were getting less in the way of dividends because they had disability than they would be receiving without it. The feeling of these correspondents is that inasmuch as a definite extra premium was paid for disability coverage, that should suffice and they should not be asked to pay any more.

While every effort is made to convince these correspondents of the fairness of the decision, it is quite a job to explain the intricacies of the contribution system of dividend apportionment and show them that they have not been imposed upon by being asked to pay their share of the heavier charges caused by their group of policyholders as compared with those not having the disability coverage.

Two Scales Had Not Been Considered

Most of the difficulty arises from the fact that when the insurance was sold the possibility of a different dividend scale for disability policyholders was not mentioned, as to course it was not a possibility that had occurred to anybody. When it became apparent that those with the disability coverage were getting a free ride which was being paid for in part by those who had no chance of even enjoying the benefits, companies were faced with the dilemma of differentiating in dividends and being apparently unjust to disability policyholders or paying all the same scale and asking non-disability policyholders to share in a cost for which they were not responsible.

The case decided by the New York Court was that of Mrs. Artrude L. Westerheide Rhine vs. New York Life.

Kreinberg Succeeds Miller

Herman Kreinberg of Cleveland, who has been named as assistant attorney general of Ohio, has been assigned to handle insurance matters. He succeeds Thomas Miller, who served under Attorney General Bricker and retired from office earlier in the month. For some time Mr. Kreinberg has been attached to the office of the secretary of state.

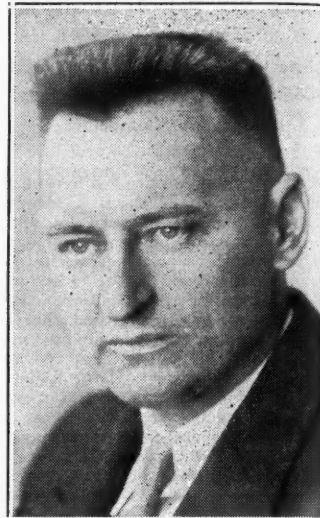
Policy Loan Experience

Total repayments made in 1936 by policyholders on loans against their policies were 15 percent greater than in 1935, reducing policy loans of the Northwestern National Life from \$9,336,478 a year ago to \$9,203,906 as of Dec. 31, 1936. Borrowers repaid a total of \$546,549 in 1936, compared with \$474,802 in 1935. Meanwhile first-year renewals made a further improvement over their ratio a year ago.

The total number of individual policy loans on the books Dec. 31, 1936, stood at 29,297, as compared with 29,701 the preceding year. Size of the average individual loan was \$314.15, practically the same as on Dec. 31, 1935, when the figure was \$314.35, but an increase from Sept. 30, 1936, when the size of the average loan reached a low of \$304.70.

A. J. Lynn, general agent Massachusetts Mutual Life, has been elected second vice-president of the Wichita chamber of commerce.

New President



PETER K. LUTKEN

P. K. Lutken, 16 years a vice-president of the Lamar Life, who becomes its president, is a native of Lake Charles, La. He was reared in Logtown, Miss., and is a graduate of Mississippi State College, in 1910. He majored in civil engineering.

After graduation Mr. Lutken went to Central America supervising railroad construction. He afterwards joined the Gulf, Mobile & Northern R. R. engineering staff in Mississippi.

He went with the Lamar Life in 1920 to take charge of the investment department. In less than a year he became a vice-president. In October, 1931, he was made executive vice-president.

Jesse Bounds, who has been president, becomes chairman of the board.

National Trust Council Is Planned if A. B. A. Approves

The National Life Insurance & Trust Council, proposed at the annual meeting in Boston of the National Association of Life Underwriters, may become a reality, if favorable action is taken at the annual meeting of the American Bankers Association in New York City Feb. 8.

The Boston Life Insurance & Trust Council, formed a few years ago by leading life men, and trust officers of banks, was the first of its kind in the country but the idea was quickly taken up and duplicated by insurance and bank men in Portland, Me., Hartford and New Haven, Conn., Syracuse and Rochester, N. Y. There have been so many inquiries since, and increasing interest in the idea, it is expected many new councils will be formed in all parts of the country in the near future.

At the meeting of the National association a committee was created, consisting of Joel H. Atwood, president of the Boston council; Franklin W. Ganse, well known Boston life insurance expert, and Howard Kidd of Rochester, N. Y., to confer with the American Bankers Association as to the advisability of forming a national organization.

Just prior to the bankers' convention in New York, this committee will confer with Blain P. Coles, vice-president of First National Bank, Portland, Ore., chairman of the trust division of the American Bankers Association; Roy Booth of the National Shawmut Bank, Boston, and Basil Collins, Old Colony Trust Co., Boston, to formulate plans along that line. The matter will then be taken before the executive committee of the bankers association, which is believed to be favorable to the general plan.

Are You Interested In:

• Liberal Policy Forms?

Guarantee Mutual policies are unrestricted, except to conform to Insurance laws and rulings.

• Low Participating Rates?

Less than a half dozen American companies are as low. Check your compendiums.

• A True Dividend Schedule?

As nearly true and equitable as is possible to create. Has not been reduced since adoption over five years ago.

• Low Net Cost?

Few American companies can equal the low net cost of Guarantee Mutual policies.

If we have ALL of the above features to offer, PLUS a place to use YOU—if you are above average and there is a reason for you to be interested in a liberal General Agents contract—tell us your complete story.



Direct your letter to
A. B. OLSON, Manager of Agencies

**GUARANTEE MUTUAL
LIFE COMPANY**

OMAHA, NEB.

Organized 1901

LICENSED IN TWENTY-ONE STATES AND THE DISTRICT OF COLUMBIA

LEGISLATIVE • DIGEST •

ACCIDENT & HEALTH

Arkansas—House bill 9 makes policies in force more than one year and requiring no medical examination, incontestable, despite health of assured prior to issuance.

California—House bill 569 provides that false statements given in gaining insurance must have material effect in order to void policies. House bill 570 provides that 30 days notice must be given before cancellation of an insurance policy. Three house bills allow hospital associations to combine for sale of hospitalization insurance.

Colorado—Kline bill restricts interest rates on policy loans to 4 percent.

SUPERVISORY

Oklahoma—The insurance department is sponsoring a bill authorizing the insurance commissioner to seek appointment of a receiver for operation or liquidation of insurance companies in certain instances, and confining this privilege to the commissioner.

Arkansas—Bratton bill requires insurance companies to post bond for \$20,000 for each \$100,000 of business written with \$100,000 maximum bond. The bond would guarantee against loss to policyholders.

California—Scudder bill calls for a change in title of "insurance commissioner" to "superintendent of insurance" and a raise in salary from the present \$6,000 to \$10,000 per annum.

TAXES

Minnesota—House bill 276 requires insurance companies to pay a state income tax in addition to present taxes.

Oklahoma—Burns bill provides that life companies must invest at least 75 percent of their legal reserves in Oklahoma securities and real estate.

Quinn Wants Further Probe

ALBANY, N. Y., Jan. 28.—Senator E. F. Quinn of New York City, who recently introduced a resolution to investigate life insurance companies generally, has introduced a new resolution to create a joint legislative committee and appropriating \$25,000 to investigate "security plans of life companies for the benefit of their employees."

He asks an investigation to "determine the effect of said schemes on premium rates charged by said companies and the advisability of remedial legislation."

Senator Quinn said his resolution is one of a series that he will introduce on various subjects connected with insurance.

Wigginton at Butler, Pa.

The meeting of the Butler, Pa., branch of the Pittsburgh Life Underwriters Association was held at dinner. F. C. Wigginton, vice-president of the Pittsburgh association and general agent for the Bankers Life of Des Moines, discussed the subject, "What It Takes in 1937." Increased knowledge was the first of four points which the speaker stressed, and he urged that his listeners stop just writing policies and start giving service, especially through the medium of settlement options. He recommended that the sales talk be conducted upon a program basis, even though simplified. Life insurance, he said, should be sold as a necessity and should be placed high up in the list of primary needs, such as food, clothing and shelter.

Secondly, as to plans, Mr. Wigginton brought out the fact that every agent in the business has had a plan of action for the year outlined to him, either by his general agent or his home office, but that these plans are worse than use-

less unless something is done about them. He summed up his point with the slang expression, "Pep without purpose is piffle."

Enthusiasm was the third requirement in the speaker's outline. It behooves every life insurance agent to cultivate a determination to win, to keep in training, and to constantly remind himself that his product is the only guaranteed financial contract in the world.

The last requirement, according to Mr. Wigginton, is a willingness to work and to work hard. Business is better and if the life insurance business does not improve with general business conditions, the fault is the agent's and he has failed in some or all of the four requirements.

Report of Texas Committee

Senate Group Has Been Making an Investigation of Life Insurance in the State

The Texas senate investigating committee has made a report. Senator DeBerry of the committee declared that the insurance department does not adequately take care of the policyholders' rights. The report states that some insurance executives are too highly paid. The committee has no suggestion to make on the Robertson law but the report does say that Texas citizens are paying approximately \$4.75 per \$1,000 more for insurance than they would be required if some of the large mutual companies were transacting business in the state. The report recommends that the reserve deposit law be made mandatory on all companies rather than optional.

A recommendation was made that insurance department examiners be appointed by the insurance commission rather than the life insurance commissioner.

The committee recommended a number of changes governing assessment concerns. One was that instead of providing that payments of the amounts promised to be contingent on the collections made they should be required to pay the face value and declared insolvent if they fail to do so.

A further recommendation was that the commission be empowered to prohibit any consolidation or sale of membership or transfer of members.

Another recommendation was that liquidations be effected through the liquidating agent instead of the insurance commission.

Business Men's Assurance Leaders

T. B. Isaacson of Salt Lake City, whose production qualified him as the leader for the year, becomes president of the Grant Club of the Business Men's Assurance. He started with the company in 1934 and has been successful ever since. He is a former football coach. R. E. Sanders of San Diego, Cal., qualified as vice-president. In addition to the time he devotes to personal production Mr. Sanders also supervises 12 salesmen. He has originated a number of successful sales ideas. There have qualified for the club 43 directors and 110 members. The salesmen qualifying for directorship must have at least 1,000 points for the year while a member is required to produce a minimum of 500 points. Each point represents \$7 in premiums.

Saul Ehrlich of Colorado won the prize for 100 percent renewals.

Celebrate Anniversaries

Robert L. Maclellan, vice-president; James E. Powell, agency vice-president, and L. M. Webb, executive vice-president of the Provident Life & Accident, were guests of the Coleman & Co. agency, representative of the Provident in San Antonio and southwest Texas, at a banquet which marked the 25th anniversary of the Coleman agency and the 50th anniversary of the Provident Life & Accident.

SALES RECORDS

Occidental Life, Cal.—Paid new business for 1936 showed a gain of 22 percent. Paid volume for December increased 10 percent.

Bankers National Life, N. J.—1936 most successful year in ordinary business, with increase of more than 60 percent.

Leading personal producers are Harry J. Baker, Boston, with almost \$750,000, George Hanauer of Montclair, N. J. and Mariano Pesquera of San Juan, Porto Rico.

United Benefit Life—Reports \$3,751,050 new business in December, a big increase, bringing 1936 total to \$46,133,650, an increase of \$8,041,270.

Security Mutual, Nebraska—Wrote a little over \$6,000,000 in 1936, a little less than in 1935. Assets increased \$331,616 to \$6,018,592, and total income \$41,371 to \$1,135,926. Total disbursements were \$815,911, a decrease of \$58,763. Insurance in force is now \$32,699,527, highest in its history. Decreases in lapses, policy loans and mortality rate were reported. Maurice A. Hyde and T. A. Sick were elected directors.

Dominion Life—The company's increase in business in force during the last year was over \$8,000,000.

Scranton Life—Total paid business in 1936 exceeded that of 1935 by 20 percent. There was an increase in December, 1936, of 27 percent as compared with December, 1935. There was a gain of \$400,000 in insurance in force. Assets have increased and substantial additions have been made to contingency reserve accounts.

Monarch Life, Canada—December gain of over \$900,000 or 47 percent, the best month since 1931. Production in 1936 showed a 8.3 percent gain in applications and 7.6 percent in paid business. Insurance in force gained \$1,400,000. Lapses showed a decline of 19 percent.

Elmer Abbey, San Antonio, Tex., Aetna Life—Reports 9 percent increase in paid business for 1936.

W. Biddle Combs, Northwestern National Life, Portland, Ore.—Oregon sales increased 9.4 percent in volume and 8.6 percent in number of policies in 1936. The average premium per \$1,000 of insurance increased from \$26.24 in 1935 to \$29.21 in 1936. The Oregon agency also

1887 GOLDEN JUBILEE YEAR 1937

Summary of 50th Annual Report

NEW INSURANCES AND DEFERRED ANNUITIES	
Paid for in 1936.....	\$ 52,534,711.
INSURANCE AND DEFERRED ANNUITIES	
In force at 31 Dec., 1936.....	532,539,708.
ASSETS	143,685,519.
RESERVE FOR DIVIDENDS TO POLICYHOLDERS	4,575,000.
CONTINGENCY RESERVE AND SURPLUS	5,329,173.
DEATH CLAIMS PAID	4,167,712.
PAYMENTS TO LIVING POLICYHOLDERS	9,476,980.
TOTAL PAYMENTS TO POLICYHOLDERS	13,644,692.

ESTABLISHED 1887

THE
MANUFACTURERS LIFE
INSURANCE COMPANY
HEAD OFFICE . TORONTO, CANADA

now has more than \$3,000,000 of insurance in force and nearly 2,000 policyholders.

O. P. Schnabel, Jefferson Standard Life in San Antonio, Tex.—Showed an increase of \$1,000,000 in 1935 over 1934 and an increase of \$800,000 for 1936 over 1935. W. P. Forgarty completed his fifth consecutive year as leader of the agency.

B. H. Odum, Phoenix Mutual, Chattanooga, Tenn.—Finished 1936 with a gain of approximately 10 percent. Business to date in 1937 is considerably ahead of last year.

B. A. Wiedermann, San Antonio, Tex., Union Central Life—Reports increase of 13 percent for the year.

Richard Berlin, Equitable Life of New York, Spokane, Wash.—Stood second for percentage of new business written in 1936 over 1935; increase more than 30 percent.

Leon A. Soper, Phoenix Mutual Life, Los Angeles—Closed year with an increase for the year of 20 percent in paid premiums. Record surpassed that of 1929 and was one of the best years in the agency's history.

F. M. McMillan, Penn Mutual Life, Los Angeles—Showed increase of \$550,000 in paid-for new business for 1936, increase in number of lives covered 80 percent and a gain in total premiums of 15 percent. Agency's 1937 objective is \$500,000 increase in new paid business.

C. T. Yates, Life & Casualty, Chattanooga—Produced as much business the first two weeks of January as in the first two months of 1935.

F. E. McMahon, Aetna Life, Minneapolis—Thirty percent increase in paid volume and 50 percent increase in paid premiums shown in 1936. Peter A. Dworsky of the agency again led the company's Leaders Club. He also won the honor last year which is the first time any one has led the country twice in succession.

Lawrence McDonough, Mutual Trust Life, Cleveland—Although the agency is only five years old, it finished in sixth position among all of the agencies in paid for business. Mr. McDonough's personal production placed him in fourth position. The agency ended the year with over 125 percent of its quota, with a last quarter standing of over 166 percent. Florence W. Harris, Cleveland cashier, made an enviable record for conservation of business. Leo A. Gotsas, sales manager, in addition to increasing the personnel, completed 18 months of consecutive personal production to maintain his membership in the Monthly Standard Club.

J. R. Rutherford, Penn Mutual Life, Des Moines—Reports a gain of 40 percent in volume of paid life insurance sold in 1936.

Guy A. Reem, State Mutual, Detroit—34 percent gain in paid business in 1936 with a substantial increase in premium volume. R. E. Stringer for the second consecutive year led the agency in paid production.

H. C. Brogan, Great-West Life, Grand Rapids—Increase of 5 percent in paid business in 1936. H. O. Benz, Ann Arbor, was highest individual producer.

PERSONALS

Governor Bailey of Arkansas has named **Foster Vineyard**, Aetna Life, Little Rock, on the state racing commission.

Wesley Sisson, for many years secretary of the Postal Life of New York, died Jan. 24 at the home of his daughter, Mrs. Robert Kirkland, at Lake Katonah, N. Y. He was 83 years old.

C. C. Day, of Oklahoma City, manager for the Pacific Mutual Life, spoke at the annual membership meeting of the Little Rock chamber of commerce Tuesday. Gordon Campbell, Aetna Life manager, presided.

Announcement is made of the retirement of **Alex. Whiteside** as actuary of the Massachusetts Hospital Life. He was formerly corporation counsel of Boston and has held his present position since May, 1932. He retires to devote more time to his private practice. He will probably be succeeded by E. H. Osgood, Harvard 1905, formerly a partner in the firm of Lee, Higginson & Co.

Extend Grace to Flood Sufferers

(CONTINUED FROM PAGE 3)

The life and accident companies in these and other Ohio valley cities where floods came into the business districts were said to be maintaining only skeleton crews in the head offices to carry on vital functions, such as handling death payments, disability indemnity, loan applications, etc.

Insurance trade publishers were having their own difficulties. President John Puckette of the "Insurance Field" of Louisville and his family were marooned in their home there by the waters and had to be rescued by boat. The water was then over the first floor of the Courier Journal plant where the insurance publication has its offices. The Chicago staff, which was out of touch with the Louisville staff since Sunday, negotiated to print one edition in Chicago for both fire and life subscribers. "Uncle" Ben P. Branham, vice-president, authorized the venture, and Robert Cron, associate editor; Fred Keisker, associate editor, and W. Van M. Green, circulation, did the work.

The National Underwriter Company maintains two offices in Cincinnati, one on Fourth street next to the Western & Southern Life, and another down the hill on Arch street, only one-half block from the flood. President E. J. Wohlgenuth was a flood "victim," due to being in a minor smashup due to frost, snow and lack of street lights. His car hit a loading platform and he suffered bruises and contusions.

The "Insurance Index" and "Life Insurance Digest" are also Louisville insurance publications. No reports had been received from their editors.

Staff People Sent Home

Members of THE NATIONAL UNDERWRITER Company staff, coming from stricken areas in Ohio and Kentucky, were ordered to go home and stay there.

Commercial radio stations and amateur short wave operators played a big part in the work of rescue and conservation of human life, especially the amateurs, who did yeoman service without pay. The amateurs all over the central west worked day and night maintaining contacts with stricken areas through other amateurs, getting word to authorities, commercial radio stations still operating, and being invaluable in securing immediate shipment of serums, vaccines, medical supplies, etc., to the stricken area.

At Louisville are the Kentucky Home Mutual Life and Commonwealth Life. Among the life companies in Cincinnati are the Union Central, Western & Southern, Columbia Life, Cincinnati Mutual and Ohio National.

Commissioner McClain of Indiana, owing to flood conditions in a large part of southern Indiana, is notifying life companies operating in the state that the department will grant them authority to extend the grace period for payment of premiums an additional 30 days on policies where the insured, on account of the flood, cannot be contacted. This applies not only to policyholders who may be victims of the flood and thus forced from their homes but also to relief workers.

The Mutual Benefit wired general agents in flood areas to grant an extra 30 days grace when necessary. The home office raised \$800 for flood relief.

Life companies have been little affected by flood waters in the Cincinnati area and health conditions have been good, few lives being lost. Only 80 deaths are estimated to have occurred in the entire Ohio valley. Cash values up to \$200 are available without formality of application for loan to the home office. Industrial agents will experience difficulty in collecting debts for a considerable period as homes in many sections are completely under water.

Brokers, Bankers, Realtors Buy Most of Big Contracts

Brokers, bank managers, and real estate officials ranked far ahead of all other occupational classifications in number of large life policies purchased during 1936, according to a survey of big buyers conducted by the Lincoln National Life. This group bought more than twice as many big policies as did retail dealers, the second ranking group.

Each month, Lincoln National lists according to occupations buyers of policies of \$10,000 or more. The present survey shows compilation of standings for the past year.

Occupations according to number of large policies purchased are: Brokers, bank managers, and real estate officials; retail dealers; wholesale dealers; office managers; lawyers, jurists, physicians and surgeons; students; automobile and accessory dealers; construction officials and building contractors; agents, canvassers, and collectors; housewives; commercial travelers; fruit, produce, and grocery dealers; real estate agents; and farmers.

Brokers, bank managers, and real estate officials also assumed a wide lead in total amount. According to amount purchased occupations were: Brokers, bank managers, and real estate officials; wholesale dealers; retail dealers; students; lawyers, jurists, office managers; physicians and surgeons; housewives; automobile and accessory dealers; construction officials and building contractors; agents, canvassers, and collectors; fruit, produce, and grocery dealers; real estate agents; dentists; and commercial travelers.

Forms New Production Clubs

Recently plans were completed by the Central Life of Des Moines for the formation of new production clubs, which are so grouped as to give each agent an opportunity to qualify for membership upon a basis depending on the production class justified by the business paid for and the business renewed during the club year. Qualifications for membership and awards are based upon earned points according to set rules. The plan allows credit for paid volume and for paid premiums, and additional points for the business renewing over a certain minimum.

Mystery Contest Is On

The Fidelity Mutual is in the midst of a mystery contest which is running under the euphonious name of "The Mystic Order of 7-11." The contest began Jan. 7 and will run until Feb. 11. Each man is matched against an unknown adversary chosen from the ranks of those who have shown comparable production strength during the first 10 months of 1936. Part of the mystery is to guess the name of this unknown adversary. All of the occult arts have been called upon to furnish background and flavor for this contest.

Midland Mutual Leaders

H. D. P. Thomas, Dover, O., paid for the largest volume of personal business in 1936 for the Midland Mutual. George A. Bowen of Mayfield & Bowen, Indiana state agents, was second; E. S. Reeves, Ashland, Ky., general agent, third; H. J. Plack, Peoria general agent, fourth; C. W. Stillson, Youngstown general agent, fifth; C. E. Schaad, general manager, Marion, O., sixth; E. P. Tice of Tice & Jeffers, Columbus, seventh; F. E. Nelson, Chicago general agent, eighth; B. H. Mills, Cincinnati general agent, ninth; G. H. Tibbets, Lansing, Mich., tenth.

Matthew Brown, president of the San Antonio Association of Life Underwriters, spoke on "Life Insurance from the Buyer's Standpoint," before a group of Williamson county teachers at Taylor, Tex.

Canadian Leaders Review Trends in the Dominion

TORONTO, Jan. 28.—In year-end reviews of life insurance V. R. Smith, general manager Confederation Life and president of the Canadian Life Insurance Officers Association; A. B. Wood, president and managing director of the Sun Life, and G. D. Finlayson, Dominion superintendent of insurance agree that there were gains in new business and in the amount in force and declines in policy loans and surrenders, in Canada in 1936. Mr. Finlayson mentions investments as a difficult problem facing the companies, in view of low interest rates and legislative interference with contracts. Referring to Alberta legislation, he says: "If it were copied by all, or even the larger provinces, it would mean the insolvency of every life insurance company in Canada, and would place in jeopardy the security provided for their dependents and their own old age by the thrift and foresight of millions of Canadian people."

Mr. Wood believes that the large repayments on cash or premium loans and the many reinstatements of old policies in 1936 indicate that increasing amounts of money will be available for new insurance this year.

Payments under life contracts in Canada in 1936, aside from policy loans, were approximately \$1,500,000. Added to payments already made during the depression, this brings the total paid out in Canada since 1929 to \$1,135,000,000. These insurance benefits greatly exceeded the payments of relief granted during the same periods by all federal, provincial and municipal sources.

Mr. Wood said that exclusive of industrial policies, the average policy in Canada is slightly more than \$2,000, and the average present valuation is about \$450.

Ohio State Life Leaders

A. M. Guay, general agent of the Ohio State Life at Los Angeles, led all other representatives in personal volume last year. T. S. Holcomb, manager at Charleston, W. Va., was next followed by B. B. Knight, at Roxboro, N. C.; W. H. Hecht, Celina, O., and Henry Stevens, Toledo. The Pittsburgh agency was first among the agencies followed by Marion, O., Columbus, O., Cleveland and Akron.

Tennessee Agency Winner

By recording the highest percentage of gain in life insurance in force during 1936 among all of the 57 agencies of the Bankers Life of Iowa the Tennessee agency was named as grand victor in the 1936 agency gains contest. A large silver loving cup was presented to Agency Manager G. C. Woods of Nashville. Members of the agency who had a part in its showing will be guests at a dinner soon.

Recommends Salary Boost

Governor Hoffman of New Jersey has recommended increase in salary of the insurance commissioner from \$6,000 to \$10,000 annually. The New Jersey department under Commissioner Withers has been efficient, working in close cooperation with insurance interests and maintaining low operation cost.

Would Liquidate Farm Holdings

ST. PAUL, Jan. 28.—Ways and means of liquidating the large farm real estate holdings of insurance companies in the northwest were discussed at a meeting of the Northwest Farm Real Estate Association. It was agreed that the pressing need at this time for the insurance companies is to turn as much of this property as possible into cash and put the farms back into the hands of owner-operators.

Read "Why Not Try It" by Thierbach. \$2. Order from National Underwriter.

Exempt Groups Ask Security Coverage

(CONTINUED FROM PAGE 1)

irability of providing for their employees. However, organizations and individuals who are not covered by the act and who desire to come under its provisions cannot do so, he said, although it is possible that a change in the law might be made so that those who wish to submit to its provisions voluntarily could do so.

Named-Beneficiary Provision

A very desirable change in the law, Professor Gellhorn said, would be to make death benefits payable to a named beneficiary, as they are at present payable only to the recipient's estate. Already the board has been getting letters from anguished employees whose main fear of death is that their estranged wives will get the death benefits under their social security coverage, he said.

The reason that the named beneficiary provision was not included in the original law is first, that it would involve some 30,000,000 additional entries with ensuing clerical complexities and also it is desired to get the U. S. Supreme Court's opinion on the constitutionality of the act before these extra provisions are added which might confuse the question. In answer to a question, Professor Gellhorn said that even though payable to the estate, benefits either for death or old age security are not subject to attachment by creditors.

Strong Block for Exemption

There is quite a strong bloc in Congress which favors exemption of private pension plans from the social security act, but he predicted that such a movement would not get very far unless some provision is made for a real reserve which would give the employee vested rights and protect his equity no matter what kind of a jam the company might get into. Professor Gellhorn said he thought the social security act would stimulate the sale of ordinary insurance much as war risk coverage did, but that it would have an adverse effect on industrial insurance after death benefits and values had been built up through a few years' operation of the plan.

The Treasury Department will probably stick to its contention that life company agents are employees and not independent contractors, Professor Gellhorn thought, largely because of the legal control which the companies have the right to exercise even though they may not actually do so.

Whitelaw Now President

The meeting was the first at which the new president, Leroy Whitelaw, local field instructor for the Prudential affiliated as president succeeding Thomas G. Murrell, who has resigned because of his appointment as general agent in Los Angeles for the Mutual Benefit Life. As vice-president, Mr. Whitelaw automatically stepped into the vacancy. The chapter voted to contribute \$100 to the national chapter's educational activities.

Market No Threat to Life Carriers

(CONTINUED FROM PAGE 1)

sirable to do something comparable with stocks, such as using permanently an average valuation plan like the commissioners' values which prevailed during the depression. It is pointed out that a life company could use some such basis of average values ever more appropriately than a fire company because there is nothing analogous to a conflagration hazard which would require the sale of large amounts of liquid securities in a short time. It is regarded as practically inevitable that the present high prices on top grade bonds must fall sharply before long. The level at present is about the highest in history, the only comparable situation having been around 1904-5.

Nineteen States Increase Ordinary Volume in 1936

(CONTINUED FROM PAGE 1)

Middle Atlantic	94	93
New York	93	93
New Jersey	92	94
Pennsylvania	98	93
East North Central	101	95
Ohio	98	93
Indiana	102	92
Illinois	105	97
Michigan	111	100
Wisconsin	99	97
West North Central	95	97
Minnesota	88	98
Iowa	98	99
Missouri	105	96
North Dakota	104	86
South Dakota	91	99
Nebraska	81	95
Kansas	91	94
South Atlantic	102	98
Delaware	161	94
Maryland	95	97
District of Columbia	93	99
Virginia	102	101
West Virginia	96	98
North Carolina	94	94
South Carolina	101	103
Georgia	99	94
Florida	120	106
East South Central	106	97
Kentucky	91	93
Tennessee	109	97
Alabama	107	94
Mississippi	127	110
West South Central	97	100
Arkansas	111	100
Louisiana	98	97
Oklahoma	76	99
Texas	106	102
Mountain	99	109
Montana	107	113
Idaho	106	116
Wyoming	101	110
Colorado	89	100
New Mexico	135	121
Arizona	118	137
Utah	93	107
Nevada	106	115
Pacific	94	100
Washington	97	109
Oregon	98	109
California	93	98

Cities

Boston	105	96
Chicago	102	94
Cleveland	97	94
Detroit	109	97
Los Angeles	94	97
New York	96	94
Philadelphia	112	95
St. Louis	103	96

C.L.U. NEWS

FIELD FOR SALES TO WOMEN

Women are now large buyers of life insurance and will buy an even greater amount in the future because of the fact that a large proportion of American wealth is in the hands of women, Miss Beatrice Jones, assistant agency manager Equitable Life of New York, told the Boston C. L. U. chapter.

Miss Jones is one of the most successful women life underwriters in the country. In 1936 her division produced nearly \$3,000,000 of insurance.

Miss Corinne V. Loomis, president of the Boston chapter, presided.

A C. L. U. "Founders Dinner" will be held the evening of March 22 in conjunction with similar dinners to be held in other parts of the country on the same night. All holders of the C. L. U. designation, with their wives, all those who have taken one or more of the examinations, and members of the Boston Life Underwriters Association and their wives are to be invited to the dinner. Paul F. Clark, past president C. L. U. National chapter, will speak. Charles Cabot of the Harvard Business School, will talk on "Relation of Life Insurance to Economic Life."

CHICAGO MEETING

R. F. Spindel of the Chicago law firm of West & Eckhart will address the Chicago C. L. U. Feb. 1 in the Hotel Sherman on "Importance of Federal Taxation in Developing Life Insurance Sales." He is a teacher of federal taxation at De Paul University. This will be an open meeting.

R. G. MINTY IS SPEAKER

At the quarterly meeting of the San Francisco C. L. U. chapter, R. C. Minty, New England Mutual Life, discussed

"Programming." James H. Wood, manager Union Mutual Life, is president.

Mr. Minty stressed importance of a definite program of life insurance rather than a hazy, hit or miss fashioned method. As life insurance should be appraised by the same measuring stick as all investment property, he declared all men are striving to gain two financial objectives through the investment of surplus income.

These are: adequate estate for the family in event of death of the head of the family prior to retirement and adequate capital to produce sufficient income at retirement. "The very fact that men do not know specifically what they are trying to accomplish financially is one of the greatest causes of insufficient estates and failure to accumulate needed capital. The well qualified life underwriter with ability to design a program, is of real help to any man who is trying to attain a financial objective. Such a program should (1) establish the minimum cash and income and the years

such income would be needed by the family in the event of the death of husband and father; (2) fix the cash and monthly income needed at retirement and the age of retirement."

Oklahoma Probe Group Is Disbanded by Legislature

OKLAHOMA CITY, Jan. 28.—The general investigating committee of the Oklahoma house of representatives voted Tuesday to dispense with the subcommittee inquiring into alleged conflict of authority existing in the state insurance division after hearing testimony of Commissioner Read, Secretary Philpott of the insurance board and State Fire Marshal Theimer who comprise the insurance board. The three officials were told to cooperate in drafting a new law or plan of operation that would remove overlapping of authority of the insurance board, fraternal insurance board and the insurance department.



"I DON'T NEED ANY!"

Many an interview that began with this assertion has ended with a signed application.

The Agent simply delved into details in a friendly way, found the present situation and future aims of the man and his family and showed how life insurance would serve them.



The Prudential

Insurance Company of America

EDWARD D. DUFFIELD, President

Home Office - Newark, New Jersey

EDITORIAL COMMENT

Insurance and the New Order

SECRETARY W. H. BENNETT of the NATIONAL ASSOCIATION OF INSURANCE AGENTS in his Detroit address urged insurance to meet the new national order that has come into being because of the change in social and economic conditions. Regardless of how conservative people feel and how much attached they are to old institutions and past methods of doing things there is a new day and its demands have to be considered.

Insurance represents a conservative business. That is perfectly natural. Yet the challenge goes out today to business of all kinds and especially the older institutions. Insurance has an opportu-

nity to demonstrate its greater usefulness and its power to adapt itself to changing conditions. It is not fossilized, tied down and crystallized. Insurance is a public service and when the public mind changes, public demand calls for an altered policy. Insurance should be pliable and plastic. Insurance cannot afford to stand solely by precedent because these standards of the past may not be the standards of today. Insurance can rise to its highest stature and give proof of the fact that as one of the great enterprises it can meet fully its responsibilities as the needs of civilization grow more complex.

The Financing Problem

WHEN Superintendent of Agencies H. G. KENAGY of the MUTUAL BENEFIT LIFE said the other day that the life insurance business must pick its new men so carefully that it can afford to finance them, he stated what is probably the major problem of the agency end of the business. Its importance is already being recognized by a number of companies, and if they are on the right track, it will inevitably mean that the others will fall in line also or else suffer in the competition.

It has always seemed a little strange to sales executives in other lines of business that the life insurance institution has clung so tenaciously to the commission system of compensation and to the idea that agents should have a minimum of financing and be to the greatest possible extent capitalists operating their own enterprises.

Oddly enough, much more progress has been made in the direction of financing managers and general agents while they are getting a start than has been the case with individual agents. The old time general agent supplied his own capital, received a franchise from the company and went ahead to carve out his own destiny without the home office agency department having very much to say about how he conducted his operations. Today, because of less available capital and also because of closer buying on the part of home offices, the trend is toward giving less liberal franchises but at the same time doing more in the way of financial help to the budding general agent. Of course, where a managership is involved the agency head is no longer a capitalist at all in the monetary sense. The dividends he looks for on his energy and ingenuity rather than on his invested capital.

The progress that has been made in the financing of general agencies and branch offices indicates what may be done in get-

ting individual soliciting agents under way. The argument against financing has always been that unless the new agent had a very considerable financial stake in his own success he would feel scant stimulus to do well and would tend to loaf on the job. There have been unkind persons who have suggested that this contention was merely a smoke screen for lack of ability in selecting new men carefully enough to finance them on a profitable basis.

It was not a smoke screen for everybody, as quite a few general agents and managers have gone in for financing, sometimes on a very impressive scale. But in general, there was no systematic basis, either as to the qualifications of the men to be financed, the amount and method of financing, or the length of time which advances were to be allowed to run before being paid off. The process was costly to many agencies and in some cases disastrous.

A basic difficulty, as Mr. KENAGY pointed out, is companies and agencies which select, finance, and train men on a sound and profitable basis are at the mercy of their competitors as soon as the new agents have been developed to the point where they are really worth something. Such competitors have the advantage of not having spent so much on the development of their own new men, and consequently have more money to spend on extra inducements to lure the agents of other companies.

A uniform procedure among companies would help, as would an effective and universal agreement not to proselyte. In the absence of these, probably the only way is for the progressive companies and agencies not only to pick their new men so carefully that they can afford to finance them, but to provide a type of management which will not be outweighed in the agent's mind by a few extra dollars of commissions or the private office or special secretarial

service which a competitor may hold out as bait.

After all, any agent long enough in the business to be worth bidding for must recognize that he is not going to get paid for his production any more than it is worth, and that his best assurance of better earnings may not necessarily be an extra percentage of commission but a type of management which is geared to bring out his maximum efficiency. Presumably his best bet would be with the organization which has already succeeded in doing so, and whose superiority in management is tacitly confessed by the company or agency

which is trying to get him away in order to get the benefit of that training and money already expended.

Thus, it appears that no small part of the problem of selecting the right kind of new men and then financing them until they get on their feet is to give them a type of supervision which really helps them produce more business than they could on their own and to keep them so well sold on this realization that envious competitors will have little chance of luring them away. And keeping them sold is just as essential as the quality of the supervision.

PERSONAL SIDE OF BUSINESS

W. T. Grant, president of the Business Men's Assurance, has been reelected president of the trustees of the Kansas City Conservatory of Music.

F. H. Smith, former New Jersey insurance commissioner, has been appointed a member of the Union County (N. J.) Sinking Fund Commission.

Howard Holderness, vice-president Jefferson Standard Life, has been elected vice-president of the University of North Carolina Alumni Association.

W. M. McKercher, Sioux City, Ia., agent of the Northwestern Mutual, celebrated his 82nd birthday anniversary Jan. 2. He started with the Northwestern Mutual 49 years ago. He served 15 years as agent and district agent, then 27 years as general agent and now is closing six years as agent under General Agent C. R. Garrett at Sioux City. On Nov. 9 last year he and Mrs. McKercher celebrated their 60th wedding anniversary.

H. V. Montgomery, San Francisco general agent of the State Mutual Life, has lain aside his crutches following an accident to his foot suffered some months ago while hunting. He still has to walk with a cane.

H. R. Kendall, chairman of the board of the Washington National of Evanston, Ill., will leave next month from Havana on a trip that will take him around South America. In fact, he will circumnavigate the continent.

The condition of **John A. Hartigan**, inspector of agencies of the Equitable Life of New York and former Minnesota commissioner is reported much improved at St. Joseph's hospital in St. Paul, where he has been a patient for six months. He is not expected to leave the hospital for several weeks.

A dinner in honor of **C. W. Cammack**, Huntington, W. Va., general agent for the John Hancock Mutual Life, was given by his office and agency force Saturday. Forty-five years ago he joined the John Hancock and has been general agent at Huntington since 1917. He met with stern objections from his family when he expressed a desire to enter the business, but his faith in himself was justified, as demonstrated by his personal production, which for 40 years was \$7,000 per week. In 1928 his oldest son, H. H. Cammack, became as-

sociate general agent and this partnership continued until the son took over the St. Louis general agency in 1932. His younger son, C. W. Cammack, Jr., has been associated with him since 1926.

A number of men who have been trained by Mr. Cammack now hold executive positions with the John Hancock and other life insurance companies. J. Harry Wood, agency comptroller of the John Hancock, spoke.

L. D. Kern, secretary and treasurer of the Alliance Life of Peoria, who has been confined to his home at Highland Park, Ill., with illness for a number of months, is now greatly improved and spends most of the day at the office.

E. A. Roberts, vice-president Minnesota Mutual Life, has been visiting the company's Texas agencies.

E. P. Bragdon, group manager, and **C. L. O'Brien**, underwriting officer, accompanied Mr. Roberts on his Texas trip.

W. W. Malcolm, who has joined the Sales Research Bureau as a staff consultant, has been agency superintendent of the Travelers' Hartford branch for seven years. Previously he was in the paper business.

Mrs. W. Rolla Wilson, wife of the general agent in southeastern Minnesota of the Minnesota Mutual Life, died in Minneapolis.

Alfred MacArthur, president of the Central Life of Chicago, and Mrs. MacArthur are spending a few weeks at Cuernavaca, Mexico. Mr. MacArthur owns a beautiful place there which is adjacent to the Dwight W. Morrow house. Mrs. MacArthur has been in poor health for some weeks.

Harry E. Travis, 36, Ohio manager of the Mutual Benefit Health & Accident and United Benefit Life, with headquarters at Columbus, was killed in an automobile accident there. His car crashed into a parked automobile and his chest was crushed.

G. B. Van Arsdall, for 18 years attached to the head office of the Equitable Life of New York in its educational department, who will retire March 1, will reside thereafter in Los Angeles, being associated with the Kellogg Van Winkle agency, giving his time to personal production. He held his first school for the Equitable in February, 1919. In

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Tel. Parkway 2140. **Louis H. Martin**, Mgr.;
Abner Thorp, Jr., Director Life Ins. Service
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all he has conducted 280 schools throughout the country and there has been an enrollment of some 10,000 pupils. Mr. Van Arsdall addressed the life insurance forum group of the Los Angeles Life Underwriters Association last week.

President Carl R. Marcusen of the Pacific National Life of Salt Lake City, who was in Los Angeles, was introduced at the forum.

A Salt Lake City daily paper printed a feature story of the heroic part the father of **John James**, with the Occidental Life there, played in the Crimean War in 1854 as a member of the Light Brigade immortalized by Tennyson's famous poem. Mr. James, Sr., was one of the 40 who survived the charge.

John James is a former Utah commissioner, former president of the Salt Lake Life Underwriters Association and a charter member of the "Deans' Club," an exclusive group of veteran life men of the city.

The 25th anniversary dinner which will be tendered to **C. A. Gough**, first deputy insurance commissioner of New Jersey, sponsored by the Casualty Underwriters Association of New Jersey, will probably attract a large attendance. Representatives of all branches of insurance want to show their respects to Commissioner Gough so the event will not be held in New Jersey as first proposed but either in the Pennsylvania or the Waldorf-Astoria hotels in New York City some time in March. Mr. Gough has been affiliated with the New Jersey insurance department for more than 40 years, 25 as assistant commissioner.

Paid production of **A. V. Bayley, Jr.**, San Francisco agent of the Northwestern Mutual Life, between June 1 and Dec. 31 totaled \$525,209 with premiums of \$19,091, exclusive of single premium and annuities. In celebration of his 25th anniversary with the company, Mr. Bayley plans between now and May 31 to exceed the million mark in paid business.

D. C. MacEwen, vice-president of the Pacific Mutual in charge of its agency department, who was confined to the Palmer House in Chicago with a bad case of flu for two weeks, was able to get away last Thursday and go to Cincinnati where he met President A. N. Kemp and Western Supervisor W. R. Hoefflin. From Cincinnati they journeyed southward, going to New Orleans and then will hold meetings in Texas and other points on the way home.

W. H. Savage, vice-president and agency director of the Great Republic Life, died suddenly at his home in Los Angeles as the result of a heart attack. He had suffered from heart trouble for over a year but had continued actively on the job.

Mr. Savage was born in Kentucky. His father was president of Millersburg College. Mr. Savage entered the life business in St. Louis in 1905, with the Aetna Life. He went to California in 1912 as general agent for the California State Life. He joined the Great Republic Life in 1914 as an agent. He advanced rapidly and in 1920 was elected second vice-president and in 1921 he was made first vice-president and agency director. He was also a director.

Perez F. Huff, Pacific Coast vice-president for the Bankers National Life, is visiting New York and the home office at Jersey City, N. J., to discuss sales plans for 1937.

Riebe Brokerage Head

Fred C. Riebe, Jr., has been appointed brokerage supervisor of the Minneapolis office of the Aetna Life under General Agent F. E. McMahon. Mr. Riebe has been a member of the Leaders Club of the Aetna Life and made an unusual record as a personal producer. He is a graduate of the University of Minnesota.

NEWS OF THE COMPANIES

Public National Interests Get Republic Life of Texas

Sale of the controlling interest in the Republic Life of Dallas to T. P. Beasley and his associates of the Public National Life of Little Rock has been made. E. P. Bennett is president of the Dallas company. The Republic Life owns the Oak Cliff Medical Dental building and has about \$11,000,000 of insurance in force. It has 75 agents in Texas. Mr. Beasley will succeed Mr. Bennett as president. C. E. Hastings becomes secretary and treasurer and O. R. McAtee, agency director.

The Public National was incorporated as a stock legal reserve stipulated premium company under the Arkansas laws and was licensed in July, 1935. It has \$80,000 capital. The Public National Life of Joplin organized the Arkansas company and the Missouri company was merged with it.

The Republic Life has \$167,500 capital and about \$33,000 net surplus. The Guarantee Trust Life of Dallas was taken over by the Republic in 1932 and the Two Republic Life division of the Mississippi Valley Life the same year.

which home office and agencies will have a part. President Guy W. Cox will deliver a 10-minute special telephone broadcast April 21, making it possible for every member of the John Hancock family to be in touch with the home office.

When President Cox celebrated his 66th birthday Jan. 19 the Paul F. Clark agency in Boston presented him 92 applications for more than \$500,000 of new life insurance.

Passes \$160,000,000 Mark

The Mutual Trust Life of Chicago now has \$160,135,000 insurance in force. Its new business last year was \$17,330,000. It gained in insurance in force \$5,600,000. This year its goal is \$24,000,000 in new business. Its state leaders were Illinois, Wisconsin, Connecticut, Massachusetts, Ohio and Michigan in order named.

Receivership Suit Continues

ST. LOUIS, Jan. 28.—The Missouri National Life receivership suit is still in process. Although it had never had

more than \$1,500,000 insurance in force, the St. Louis newspapers are playing up the case. The company valued its holdings at \$55,063 and the state at \$22,450. The assets were valued by the company at \$81,639 and by the insurance department at \$32,985. In filing receivership suits Superintendent O'Malley placed liabilities at \$77,772.

Continuous Progress Seen

The Business Men's Assurance of Kansas City started to write life insurance in 1920. Its record by years since then is as follows:

1920.....\$	2,007,500	1928.....\$	65,010,000
1921.....	3,568,175	1929.....	87,057,857
1922.....	5,358,655	1930.....	90,802,000
1923.....	7,694,860	1931.....	93,693,250
1924.....	15,812,500	1932.....	94,045,882
1925.....	26,120,990	1933.....	94,433,476
1926.....	35,268,110	1934.....	100,081,793
1927.....	48,454,330	1935.....	101,443,570
1936.....			\$104,973,517

Northwestern National Figures

Due to the excess in market value of its bonds over their book value, as of Dec. 31, the surplus of Northwestern National Life would be increased by \$2,143,439 if bonds were carried in the annual financial statement at actual market value instead of amortized value. This would make surplus account \$7,584,893

Three Appointments Made by Continental Assurance

Three appointments are announced by the Continental Assurance of Chicago. Marshal B. Simms and J. A. Roberts have been appointed assistant secretaries and Douglas Foster named group supervisor in the Chicago branch office in the Insurance Exchange. Mr. Simms is superintendent of the new business department and agency supervisor for Iowa, Wisconsin and Minnesota, and Mr. Roberts, who for some time has been assistant actuary, also has charge of the statistical department. Both men have been connected with the Continental Assurance about ten years. Mr. Foster formerly was connected with Marsh & McLennan in Chicago, and before that with the Sun Life of Canada. He also has had 10 years experience in the business.

Pay Off Accumulated Obligation

Following the announcement by Commissioner Carpenter of California at the meeting of the National Association of Insurance Commissioners at Hot Springs, Ark., that the moratorium imposed on cash surrender and loan values of the Pacific Mutual had been lifted, the company has been paying off these obligations that had accumulated during the litigation period and those made subsequently. It was stated that of all applications 60 percent did not avail themselves of the money when it was available. The percentage of applications for loans and surrenders is below the normal for the last two years. This is due, the officials say, either to the fact that the economic needs have passed or that renewed confidence in the company has been established.

Observing 50th Anniversary

The "Broadcaster," house organ of the Bankers Life of Nebraska, appeared in a gold cover in January, and Agency Director Ivan Devoe says that all stationery and literature for the year, which represents its 50th anniversary, will be similarly decorated.

John Hancock Diamond Jubilee

Coincident with the 200th anniversary of the birth of John Hancock, the John Hancock Mutual Life is this year observing its 75th anniversary.

To mark this diamond jubilee, plans are being made for special observance in

Highlights of Progress ... Forty-Third Year

CONTINUING to make steady progress in 1937, The State Life Insurance Company closes another successful year of dependable service to policyholders and beneficiaries . . . Among the highlights of the Company's record of service and progress in 1936 are these: payments to policyholders and beneficiaries \$5,295,000—bringing the total of such payments to \$112,000,000 . . . Favorable and commendatory report of the recent Convention Examination of the Company by California, Texas, Oklahoma, Indiana . . . Income more than a million dollars over disbursements . . . Over one million dollars of real estate sold at a profit . . . New paid-for business increased nearly 3.5% over 1935 . . . The State Life offers attractive agency opportunities to those qualified.

SERVICE • STRENGTH • SECURITY

THE STATE LIFE INSURANCE COMPANY

Indianapolis
Indiana

1894 • PURELY MUTUAL • 1937

instead of \$5,441,364, the figure shown in the annual statement, which also gives at \$38,067,103. Its holdings of railroad bonds made the greatest appreciation of any group of securities in the portfolio, with an increase of slightly more than 10½ percent of market value over book value.

Stroud Joins Texas Life

Layden L. Stroud, long a leading agency organizer in Texas, has been appointed home office field supervisor for the Texas Life of Waco. Mr. Stroud formerly was vice-president in charge of agencies of the old Harvester Life and continued with the Trinity Life after that company bought the Harvester. He also was with the Gulf States Security for a time after its merger with the Trinity. More recently he was north Texas manager for the Volunteer State.

Diefendorf on Postal Boards

John Diefendorf, who recently retired as chief of the miscellaneous companies bureau of the New York department, has been elected a trustee of the Postal Life of New York and a director of its affiliate, the Postal National Life. At the department Mr. Diefendorf had supervision over mutual casualty companies, fraternal, and cooperative acci-

dent and health companies. He formerly had supervision of title guaranty companies as well.

Guttersen Is Promoted

The California-Western States Life has promoted Ernest L. Guttersen to director of sales and agency service. Mr. Guttersen, who has served since 1935 as superintendent of field service, will direct and coordinate the activities of the home office agency department and will also supervise the preparation of the advertising, direct mail and sales promotion material.

Taylor Ohio State Supervisor

The Ohio State Life has appointed H. D. Taylor home office supervisor. He was for 12 years with the Columbus office of the Connecticut Mutual Life.

California Changes

The Beneficiaries Mutual Life and the Mount Moriah Mutual Life of San Francisco, chapter eight organizations, have applied to operate as mutual life and disability insurers on the stipulated premium plan. The Beneficiaries Mutual Life is to be known as the Century Life and the Mount Moriah Mutual Life as the Mount Moriah Life. The Great

Western Mutual Life is now the Great States Life.

Smith to Occidental

P. E. Smith of Los Angeles has been appointed attorney for the Occidental Life of California. For two years he has been a member of the legal department of the Pacific Mutual Life.

Life Company Notes

J. C. West was named a director of the Kentucky Central Life & Accident.

The Protective Life has named A. C. Wellman, vice-president and actuary, a director.

The Midwest Life has named Dr. O. A. Reinhard associate medical director and Eleanor F. Snell a director.

Carl Glocke, president of the Badger State Bank, Milwaukee, has been elected a director of the National Guardian Life of Madison, Wis.

The United Mutual Life Assurance of America, with main offices in Wilmington, Del., is seeking a license in Arkansas. J. V. Clayton, Little Rock, is designated as agent.

POLICIES

Great Southern Rates on New "Par" Forms Given

Rates on several new participating forms of the Great Southern Life are presented below at quinquennial ages:

Age	Participating Policies					Pay Life
	End. 65	Yr. 55	Life Inc. 60	End. 65	Pay Life	
20	20.53	35.98	33.61	27.22	22.58	21.28
25	23.30	38.42	40.74	31.94	25.95	22.96
30	27.04	37.10	51.07	38.50	30.52	25.05
35	32.26	38.16	67.00	48.99	37.03	27.72
40	39.92	39.92	94.47	62.57	45.93	31.50
45	50.99	42.89	150.31	87.74	59.57	38.08
50	69.89	.....	.....	138.68	83.00	.....
55	.....	.....	.....	.....	129.77	.....

Home Life Scale Continues

The Home Life of New York is continuing in 1937 the dividend scale effective in 1936. This was made possible through the fact that net interest earned last year was 4.2 percent as against 4.11 percent in 1935. The Home Life in calculating these rates deducted all invest-

ment expense from investment income. Rehabilitation expense on real estate loans was deducted from current income and treated as investment expense. The annual report shows a very successful year. The dividend apportionment for 1937 totaled \$1,670,000.

Lincoln National Life

Starting Jan. 5 policies of the Lincoln National Life will contain a "control of policy" provision which reads:

"The insured may, without the consent of any revocable beneficiary and in the absence of some special endorsement or agreement filed with the company creating an exception hereto, assign or surrender this policy, amend or modify the same with the consent of the company, and exercise, receive and enjoy every other right, benefit and privilege contained in the policy."

Pacific Mutual Life

The Pacific Mutual in telling about its 25 percent increase in dividends calls attention to the fact that this applies on all policies and for all years of issue with the exception of the life income bonds and retirement annuities. These contracts will continue to receive dividends in accordance with the scale in effect prior to May 1. No adjustment was made under these contracts as their chief source of profit is from interest earnings.

Kansas City Life

The Kansas City Life announces that there will be no reduction or change of any kind in dividends payable on participating policies this year. The same has been used continuously since 1931.

Pyramid Life

The Pyramid Life of Kansas City announces that it will write \$500 policies and rates have been adjusted to cover the cost of issue.

Columbus Mutual Prizes

A. W. Brukaker of Lancaster, Pa., has been awarded first prize and Morris Levinkind of Chicago, second in a month's contest for new business, participated in by salesmen of the Columbus Mutual Life. The campaign was in honor of C. W. Brandon, president emeritus, who recently celebrated his 78th birthday. Thirty-five agents in various parts who that month placed \$7,800 or more insurance were awarded prizes. Production during the month was 30 percent in excess of the previous month.

A GRATIFYING 31st ANNIVERSARY

November, 1936, marked the Thirty-first Anniversary for the INDIANAPOLIS LIFE INSURANCE COMPANY.

New Life Insurance produced during the month by its loyal, enthusiastic Agency Staff exceeded any November for seven years.

QUALITY, SERVICE, SAFETY FIRST

The Company was organized as a MUTUAL, LEGAL RESERVE COMPANY. The guiding principles to which it has closely adhered through the years are: "To furnish Life and Endowment Insurance at the lowest cost—and to "keep QUALITY, SERVICE and SAFETY FIRST." Growth has been substantial, well rounded, healthy.

INCREASE IN INSURANCE IN FORCE

From January 1, 1936, to December 1st, Insurance in Force increased.....\$ 2,933,662.00
Making Total in Force, over.....\$98,700,000.00

LAPSE RATIO FOR 1936 is 1% below the low aim set for year. Special recognition and cash prizes given to leaders in low lapse ratio.

INDIANAPOLIS LIFE INSURANCE CO.

Indianapolis, Indiana

General Agents and District Agents wanted in sections of Indiana, Illinois, Ohio, Texas, Iowa, Michigan, Minnesota, North Carolina, California and Florida.

Edward B. Raub, President

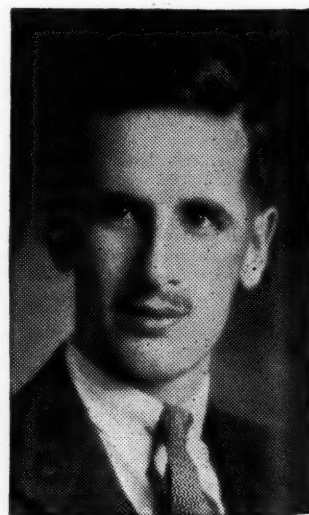
A. H. Kahler, Supt. of Agents

Canada Life Promotions



H. NORMAN WATT

Announcement has just been made by the Canada Life of the appointment of H. N. Watt as an assistant secretary and of J. Ross Gray as an assistant actuary. Mr. Watt was formerly an assistant superintendent. He joined the Canada Life in 1914. After returning from overseas,



J. ROSS GRAY

he resumed his association with the company, both in branch offices and home office. Mr. Gray joined the Canada Life actuarial department in 1924. He qualified as a fellow of the Actuarial Society of America in 1932.

LIFE SALES MEETINGS

Snyder Heads General Agents

Cleveland Man Elected President of Massachusetts Mutual Association at Annual Meeting

Elmer W. Snyder, Cleveland, oldest active general agent of the Massachusetts Mutual Life, was elected president of the General Agents Association of the company at its annual convention at Miami, Fla. Ninety general agents and officers of the company attended the convention.

General approval of the federal social security legislation was expressed by Bertrand J. Perry, president of the Massachusetts Mutual, at the convention. Mr. Perry said that "the form and mechanics of administering the social security act are awkward and clumsy and require a great deal of refining," but that the act is "basically sound." New business in 1936 increased 7.3 per cent.

His election to the presidency of this association emphasizes the steady achievement of Mr. Snyder, who moved to Cleveland from Selinsgrove, Pa., in 1901, when he was with the Northwestern Mutual Life. He became general agent of the Massachusetts Mutual in Cleveland in December, 1903.

When Mr. Snyder joined the company 34 years ago, it had no representatives in that district, had approximately \$2,000,000 of business in force, and an office personnel consisting of Mr. Snyder and a cashier. Today the offices of the Cleveland branch occupy the entire ninth floor of the Hippodrome building. There are 60 sales representatives who cover 24 counties in northeastern Ohio, an office staff of 20, and approximately \$80,000,000 of business in force.

Through the establishment of a branch office in Akron, employing ten sales people, and other branches throughout the larger cities in northeastern Ohio, Mr. Snyder has developed this division more intensely than any other section of the country for his company. The Akron branch alone produces \$2,000,000 of new business yearly. He has served as president of the Cleveland Association of Life Underwriters and vice-president of the Ohio state association.

Hesse Agency Conference

The Robert L. Hesse agency, general agent of the Lincoln National Life at Madison, Wis., staged open house Jan. 23 announcing the occupancy of new quarters, and continued progress of the organization.

All-day meetings were held. Heading the conference were A. L. Dern, vice-president and agency director, who spoke on "Progress of the Lincoln Life in 1936"; Dr. W. E. Thornton, second vice-president and medical director, on "Medical Aspects of Life Underwriting"; J. P. Carroll, superintendent of agencies, "Prospecting and Sales Ideas"; and W. T. Plogsterth, director of agency field service, who outlined advertising plans for 1937.

The meetings were attended by agents throughout the state, and in charge of General Agent Hesse. Hugh Holmes, general agent at Milwaukee, T. S. McQueen, general agent at Racine, and members of their agencies took part in the program.

Fidelity Mutual Meeting

The Fidelity Mutual Life has selected Virginia Beach as the place of its 1937 Leaders Club convention, Sept. 13-16.

Pilot Life Men Convene

Company Holds 25th Agency Meeting in New Orleans—Cites 10 Percent Gain in Business in Force

The 25th agency convention of the Pilot Life of Greensboro, N. C., is being held in New Orleans this week. Over 100 are attending, including approximately 50 qualified members, guests, home office officials, department heads and field supervisors.

Dr. E. G. Simmons, vice-president Pan-American Life, extended a welcome at the opening session Thursday morning, followed by President E. C. Green's address and presentation of awards to club members. J. M. Waddell, agency manager, presided.

Horse Races Featured

Friday morning the film, "Artistry in Selling," dealing with the proper method of presenting a sales talk, was to be shown. Attendance at the races was a feature of the convention, at which time the members witnessed a race named for the president—"Emory C. Green Handicap"—and one named for the company—"The Pilot Life Handicap." The convention is to close with a banquet at noon Saturday.

Home office men attending are: President Green, Mr. Waddell, Dr. H. F. Starr, vice-president and medical director; J. W. Carson, secretary; C. H. Benson, actuary; L. L. McAlister, agency secretary; W. L. Jessup, manager sales promotion and advertising, and the following home office supervisors: W. T. Beaty, W. M. Gordon, G. F. Ball and S. L. Bowen.

The Pilot Life has completed its most successful year, having shown a 10 per cent gain in business in force and a substantial gain in assets and surplus.

Regional Meet in St. Louis

The first annual central west regional conference of Northwestern Mutual Life agencies will be held in St. Louis, Feb. 8-9. General agencies and their field representatives to take part will be C. H. Poindexter, St. Louis; Sam C. Pearson, Kansas City; E. A. Kohl, Belleville, Ill.; R. O. Becker, Peoria; E. E. Cantrall, Springfield; B. J. Stumm, Aurora, Ill.; E. A. Crane, Indianapolis; B. A. Million, Evansville, Ind.; W. J. Mack, Cincinnati; R. F. Clendenin, Louisville, and E. T. Proctor, Nashville. A number of home office officials from Milwaukee will take part in the program, now being completed. G. T. Guernsey, Jr., field supervisor of the St. Louis agency, will be chairman of a breakfast meeting for district agents. Milton Koch of St. Louis is chairman of discussion group meetings.

Hear Kemp in Richmond

A. N. Kemp, president Pacific Mutual Life, attended a banquet in Richmond, Va., last week given by the Virginia and eastern North Carolina agency staff, which wrote 183 applications in 17 days. The drive was led by J. E. Garland, state manager. In a talk at the banquet, President Kemp said: "America will never see another uncontrollable boom. Controlled expansion instead of uncontrolled orgy will be the order of things in the future." D. C. MacEwen stated every department is enjoying an upturn. Other guests were R. N. Rafferty and W. R. Hoefflin, eastern and western supervisors.

Alliance Life Conference

The annual conference of general agents and supervisors of the Alliance Life will be held in Peoria Jan. 25-27. "Agency Development" will be the general topic. Bernard T. Kamins of Chicago will be chairman, with members discussing affairs of the past year and

perfecting plans for the coming year. President M. A. Kern will open the meeting.

Texas Prudential Leaders Meet

Agency leaders from the principal cities in the states where the Texas Prudential is writing business attended the third supervisors convention in Galveston a few days ago.

President I. H. Kempner said the convention, in a way, was a celebration of the best year in the company's history. S. E. Kempner, vice-president, welcomed the visitors to Galveston, praised the field men, gave a graphic picture of the life insurance dollar at work and explained the safety in which the company invests its funds.

President Kempner was the chief speaker at the banquet. Other speakers at the occasion included Mayor Levy of Galveston and company officials.

Secretary T. E. Flick headed the speakers for the second day. He discussed company plans for the coming year and told of the amount of business put on the books the past year. Other speakers were R. L. Wallace, J. W. Dickey, C. W. Blair, F. R. Mann, J. S. McLain, T. R. Kirchem and R. W. Rogers, manager of industrial agencies.

Larson Agency Meets

The Larson (southern Wisconsin) agency of the Central Life of Iowa held its annual agency meeting at Madison, Wis., with J. H. Leaver, vice-president and superintendent of agencies; Dr. M. I. Olsen, vice-president and medical director, and G. T. Carlin, educational director, representing the home office. The two-day meeting closed with a banquet to celebrate the agency's 28 per cent increase in business in 1936. T. W. Melham of the agency's Milwaukee office led the company in personal production. Managers R. E. Larson and A. C. Larson greeted the visitors. Leading agents who talked included R. N. Seward, Lake Mills; A. E. Osterheld, Stoughton; W.

L. Sprecher, Plain; Mrs. E. G. Newman, Janesville; G. B. Dunkelburger, Beloit; A. L. Berryman, Dodgeville; T. W. Melham, Milwaukee; C. R. Ingebritsen, Oregon; W. R. Reiser, Beloit; W. J. Webster, Madison; N. J. Endres, Madison; W. J. Wiskirchen, West Bend; W. C. Goebel, Edgerton; Harry Young, Monroe; Fred Finn, Madison; Ed De Groot, Madison; Jack Worden, Janesville; Bob Wolcott, Janesville. C. M. Kremer, Madison, agency superintendent, gave the closing talk.

Travel Is Prime Desire

PORTLAND, ORE., Jan. 28.—Travel in old age is the prime desire of Oregon's insuring public, E. A. Phillips, agency secretary of the Oregon Mutual Life, said at a district conference here. A recent survey showed that a majority at age 60 expected to travel on their own retirement income, and the Oregon Mutual has built its sales campaign around this desire. Other talks were "Pride in Oregon Mutual Life Ownership" by W. C. Schuppel, executive vice-president; "Simple Programming," J. S. Williams, assistant superintendent of agencies; "Action," George W. Schoeffel, branch manager.

Behrens Meets with Managers

President H. A. Behrens of the Continental Assurance attended the meeting in Detroit last week of directors of that company's General Agents & Managers Association.

Lincoln National Meetings

Home office officials of the Lincoln National Life outlined 1937 expansion plans at annual agency meetings held in the S. M. Thompson agency, Pittsburgh, and R. W. Brooks agency, Philadelphia. The home office men attending were A. L. Dern, vice-president and director of agencies; Dr. W. E. Thornton, second vice-president and medical director; W. T. Plogsterth, director of

Happy, Since Coming with Montana Life

"And here's why I am," writes a Field Man:

1. The personal consideration I receive keeps up my morale.
2. Service given with a truly western spirit helps increase my sales.
3. A large variety of policy forms for men, women and children.
4. Unusual financial strength, second to none, guarantees 100 per cent fulfillment of the contracts I sell and makes my future income secure.
5. Better pay for the work I do and keeps up my enthusiasm and prods my ambition.
6. It is the only company in my territory that has on deposit with its home state a larger amount than the legal reserve demanded.
7. Practical instead of theoretical supervision by field-experienced men increases my income.
8. Fine folks to be associated with."

MONTANA LIFE INSURANCE CO.

Enduring as the Mountains

HELENA

MONTANA

Lee Cannon, Superintendent of Agencies.

field service; J. J. Klingenberg, agency secretary, and J. P. Carroll and A. H. Hammond, superintendents of agencies. Agents of the G. J. Clautice agency, Baltimore, attended the Philadelphia meeting. Mr. Dern told of sales potentialities in 1937. Dr. Thornton talked on underwriting trends and Mr. Plogsther described the February sales program.

Columbia Life Meeting

CINCINNATI, Jan. 28.—Columbia Life agents held a meeting here. In addition to addresses by President S. M. Cross, Executive Vice-president F. B. Cross, Jr., and other home office officials there were talks by Claris Adams, president Ohio State Life, and F. A. Koeppel, assistant actuary Union Central Life.

Bean, Wildcat Operator, Dies

ST. PAUL, Jan. 28.—M. E. Bean, operator of a group of unlicensed insurance associations in Minneapolis and long a target of the Minnesota state department, died Jan. 22.

Only a week ago the Minnesota supreme court affirmed Bean's conviction for selling insurance without a license. He was sentenced to serve nine months by the lower court but had appealed on the ground that the sentence was too severe. The high court, however, found that because it was his second offense the long jail sentence was justified. Bean once before had served 90 days on a like charge.

He controlled and managed four concerns writing various types of health, accident and life insurance.

No Maine Appointment

Since the Maine senate refused to confirm the appointment of E. S. Durgin as insurance commissioner, Commissioner Spencer continues in office, as the governor has not yet made a new appointment.

LIFE AGENCY CHANGES

Freeman With Home Office Agency of Occidental Life

R. F. Freeman has been appointed assistant manager of the home office agency of the Occidental Life of California at Los Angeles. Mr. Freeman entered the field in 1923 as a personal producer with the home office agency of the Pacific Mutual Life. For five years he was educational director for this agency and was then appointed general agent at Portland, Oregon, which position he held for two years, then returning to Los Angeles. Shortly thereafter he was appointed agency manager for southern California of the Peoria Life, later accepting the appointment of general agent for the National Life of Vermont, which position he resigned in 1935 to return to the home office agency of the Pacific Mutual Life as educational director.

Burkett Named General Agent

W. J. Burkett, formerly an agent of the Central Life of Iowa at Fond du Lac, Wis., is named a general agent and transferred to Flint, Mich. Mr. Burkett's former general agent was M. G. Fox of Appleton, Wis.

Other general agency appointments by the Central Life, include: D. L. Zapp, Sioux City, Ia.; C. E. Van Patten, Lincoln, Neb.; G. C. Aurentz, Fort Wayne, Ind.; W. H. Schmidt, Peoria, Ill., and L. M. Hall, Nevada, Ia.

Ziegler Goes to Fort Dodge

The transfer of General Agent H. G. Ziegler from Marshalltown, Ia., to a like position at Fort Dodge, Ia., is announced by Central Life of Des Moines. His transfer to the larger agency closely followed the transfer of L. L. Mackey,

former Fort Dodge general agent, to Detroit. H. W. Marshall has been named general agent at Marshalltown.

McGee Toledo General Agent

O. M. McGee, formerly of Columbus, O., has become general agent of the State Mutual Life at Toledo. He formerly was superintendent of agencies of the General Mutual Life of Van Wert, O., but lately has been with the State Mutual in Columbus.

Shelton Made General Agent

C. H. Shelton, who has been special agent of the Bankers Life of Nebraska, has been promoted to general agent at Marshall, Mo.

Other general agency appointments include Clarence Jensen at Mason City, Ia., and Leland Grading, formerly of Kansas City, at Joplin, Mo. He was a \$250,000 producer in 1936.

McKay Resigns as Manager

J. A. McKay, who has been manager of the Newark office of the Fidelity Mutual Life for two years, has resigned and plans to become affiliated with the Aetna Life.

Stroud Named in Oklahoma

G. H. Stroud of Oklahoma City has been appointed Oklahoma manager by

the Reliance Life. His offices are in the Colcord building, Oklahoma City.

Jefferson Standard Change

F. McKey Smith, who has represented the Jefferson Standard in Norfolk, Va., has been appointed manager in Washington, D. C. M. J. Anderson, former manager, has returned to his home in Marion, Va., and will continue with the Jefferson Standard as a personal producer.

Lebaron with Capitol

W. F. Lebaron, San Antonio, Tex., general agent of the Guaranty Life of Iowa since 1931, has been appointed San Antonio general agent of the Capitol Life of Denver, with offices in the Milam building.

Name Furniss at Grand Rapids

Louis C. Furniss has been appointed general agent at Grand Rapids, Mich., by the Minnesota Mutual Life.

Lohner to Sioux City

D. B. Lohner, formerly one of the leading producers of the Penn Mutual in Des Moines, has been promoted to district agent in charge of 12 northwest Iowa counties, with headquarters in Sioux City.

J. S. Coates has been appointed instructor of the San Francisco agency of the Mutual Life of New York. Mr. Coates has been with the Mutual Life since 1927, for a short time as a San Francisco agent and more recently as district manager at Fresno.

PACIFIC COAST AND MOUNTAIN

Carpenter Seeks Code Change

Increase in License Fees Asked in California—Would Permit Debtors' Group Insurance

SAN FRANCISCO, Jan. 28.—Commissioner Carpenter is seeking to increase the insurance department revenue by sponsoring a proposal to increase license fees. Agents of life companies would have their fee increased from \$1 to \$2 and a \$25 statement fee would be required of companies.

It is proposed to permit the writing of "debtors' group insurance" covering debtors of a single creditor. Some technical changes in the law governing assessment life insurers are also proposed. Mr. Carpenter's proposal to earmark assets constituting life reserves was previously announced.

Change in Rebate Law

One measure seeks to remove from the rebate law the provision making the insured who accepts a rebate equally guilty with the company or agent tendering the rebate, it being pointed out that removal of this provision will pave the way to securing testimony of assured who will not now testify to incriminate themselves. The measure will also make the companies responsible where they have knowledge of the rebate and cause or permit such practice. At present the rebate law provides that the agent or broker cannot take commission on his own or employer's business in excess of 50 percent of his total business. This provision is extended to cover corporations controlled by the employer as well as certain relatives of the broker or agent or his employer.

Other measures sponsored by Commissioner Carpenter include one requiring the licensing of an executor of a deceased broker or agent and permitting him to sell the expirations on a split commission basis. Another provides for cancellation of business when written as a result of violation of law in those cases where the act is a misdemeanor or subjects the person com-

mitting it to a revocation of his license or certificate of authority.

Another authorizes the commissioner to deny or revoke a certificate of authority of an insurer while a convicted felon is an officer or director. Another provides for the licensing of non-resident life agents.

A more general field is covered by proposals to require that insurers refrain from advertising state supervision or control of their business or affairs and limiting the use of the term "legal reserve basis" to life insurers maintaining reserves.

Huston Washington Deputy

OLYMPIA, Jan. 28.—F. E. Huston, former chief examiner and actuary of the Washington department, has been appointed deputy commissioner to succeed the late Frank T. Houghton. Mr. Huston is a graduate of Willamette University and did graduate work and acted as part-time instructor at the University of Washington. He was later in the actuarial department of the Northern Life of Seattle and for the past seven years has been with the Washington department as chief examiner and actuary. He is an associate of the American Institute of Actuaries.

Brodie Named by Occidental

A. L. Brodie has been appointed group representative for northern California by the Occidental Life, with headquarters in San Francisco. He graduated from the Aetna Life group school and was with that company for two years before he joined the Prudential for eight years in San Francisco and the bay district. Recently he has been life manager for Marsh & McLennan at Seattle.

Roger Hull to Speak

A joint meeting of the San Francisco Chamber of Commerce and Commercial Club will be held Feb. 4 to hear Roger B. Hull, managing director of the National Association of Life Underwriters, speak on "Real Security—Individual Initiative or Governmental Bounty?" Influential policyholders will be guests. It

COUNTRY LIFE GAINS AGAIN

New Acquisition 36% Increase Over 1935

Mortality 26.7% of the expected.
Net interest earned 3.45%. No investments in default as to interest or principal.
New business for 1936—\$26,197,932.00.

STATEMENT OF CONDITION

As of December 31, 1936

ASSETS		LIABILITIES	
Cash	\$ 57,764.69	Policy Reserves ..	\$4,033,885.00
U. S. Gov't Securities	1,501,244.67	Installment Claim Reserves	110,853.89
Other Bonds	3,018,130.96	Other Liabilities ..	357,933.62
Policy Loans	487,054.80	Total Liabilities..	\$4,502,672.51
Other Assets	392,670.73	Cap., Surpl., Cont. Reserves	954,193.34
Total Assets	\$5,456,865.85	Total	\$5,456,865.85

We submit again an annual statement of condition which gives us great satisfaction. Our total insurance in force exceeding One Hundred Million, together with our excellent showing in mortality, investments and other outstanding accomplishments, gives us a feeling of pardonable pride and new zeal to drive for greater heights.

COUNTRY LIFE INSURANCE COMPANY

L. A. Williams, General Manager,
608 South Dearborn Street
Chicago, Ill.

is also expected that a number of insurance commissioners and others prominent in the insurance world, who will be in San Francisco for the annual meeting of the Fire Underwriters Association of the Pacific, will attend the meeting.

On Feb. 3 Mr. Hull will address a similar gathering in Oakland. Following the San Francisco meeting he will go to Sacramento, thence to the Pacific northwest.

Opens New Los Angeles Quarters

W. G. Gastil of Los Angeles, southern California manager for the Connecticut General, held open house in the new quarters of the branch office in the Edwards & Wildey building last Saturday.

Burnett on Coast

SAN FRANCISCO, Jan. 28.—H. T. Burnett, vice-president in charge of agencies of the Reliance Life, accompanied by T. J. McKenna, vice president in charge of underwriting, and V. J. Adams, superintendent of agencies western division, will arrive here Feb. 17 for a two-day visit with Nels J. Nelson,

northern California manager. On Feb. 18 a meeting will be held for general agents and district managers. The officials will also visit Los Angeles where similar conferences will be held. This is Vice-president Burnett's first visit to the Pacific Coast since he was appointed to his present position.

Seeks Clerk's Ouster

DENVER, Jan. 28.—Commissioner Cochrane has filed charges with the civil service commission against W. H. Kelly, chief clerk for the insurance department, demanding his removal from office on the grounds of disloyalty, gross misconduct and neglect of duty. Mr. Kelly is expected to file counter charges against Mr. Cochrane. Mr. Cochrane's charges against Mr. Kelly come as an aftermath of an attempt made last year by State Senator John Nolon, Jr., to oust the commissioner.

Coates & Herfurth Move

Coates & Herfurth, actuaries of San Francisco and Los Angeles, have moved their San Francisco office from 114 Sansome street to the Hobart building, 582 Market street, telephone Sutter 5237.

AS SEEN FROM CHICAGO

COURSE FOR INSURANCE BUYERS

An evening course for buyers of insurance will be given for the first time this winter and spring at the Central Y. M. C. A. college of Chicago. The course, entitled "Insurance Principles and Practices," will be addressed to business and professional men generally and will outline what the average person should know about his business and personal insurance and offer standards to be used in purchasing protection.

Roy L. Davis, newly appointed assistant director of insurance of Illinois, formerly life insurance manager of W. W. Durham & Co., and J. C. O'Connor, editor of the "Fire, Casualty & Surety Bulletins" of THE NATIONAL UNDERWRITER, will be the instructors. Both men have conducted specialized courses for insurance men at the Y. M. C. A. college. Mr. Davis in life insurance and Mr. O'Connor in property insurance. Interest of students not in the insurance business led college officials to offer this non-technical course. Classes will run for 18 weeks, starting Feb. 9.

* * *

SMITH TO ADDRESS HEIFETZ MEN

H. A. Smith, a prominent attorney of Chicago will address the members of the Samuel Heifetz agency of the Mutual Life of New York in Chicago, Feb. 1 on "The American Judicial Structure." Mr. Smith was admitted to the Illinois bar in 1921 and has practiced since at Chicago. He has been associated with Winston, Strawn & Shaw, since 1922.

* * *

E. J. WARSHALL WINS HONOR

E. J. Warshall, member Chicago branch of the Acacia Mutual Life, has been made president of the William Montgomery Quality Club, for his work during 1936. He placed the largest amount of business, maintaining a high percentage of quality, of all branches. He has been associated with the Acacia for 15 years and has led the field in production, 1936 being the next to the largest in paid for business in his history. The club is named after Acacia's president.

* * *

BINGHAM MADE SUPERVISOR

M. F. Bingham, C. L. U., has been made supervisor of the J. M. Royer agency of the Penn Mutual Life, Chicago. He has been a personal producer for four and one-half years.

He succeeds Mr. Royer, who became general agent after promotion of A. E. Patterson to be vice-president in charge of agencies. Mr. Bingham, a member of the Chicago Life Underwriters Asso-

ciation, led his agency in life premiums for 1936 and ranked second in volume.

* * *

INSURANCE STOCK QUOTATIONS

H. W. McKinney of G. L. Ohrstrom & Co., Board of Trade building, Chicago, gives the following quotations on the stock of life companies:

	Par	Div.	Bid	Asked
Aetna Life	10	.60	30 1/2	31 1/2
Bank. Nat. Life	10	1.00	27	30
Build. Life, Ill.	1	...	1	3
Central Life, Ill.	10	...	9	...
Cent. States Life	5	...	3	5
Columbia Nat.	100	4.00	80	90
Conn. Gen. Life	10	.80	34	36
Cont. Assurance	10	2.00	36	38
Cont. Am. Life	10	1.20	30	34
Farm. & Traders	100	12.00	210	225
Fed. Life, Chgo.	10	...	8	16
Girard Life	10	.40	14	16
Great Nor. Life	10	...	4	...
Great South. Life	10	2.50	30	33
Life & Cas., Tenn.	2	...	15	17
Life of Va.	20	3.00	75	80
Lincoln National	10	1.20	27	28
Mo. State Life	10	...	3	4
Natl. Life & Ac.	10	1.60	65	75
Northw. National	5	.60	16 1/2	17 1/2
North Amer.	2	...	3 1/4	4
Ohio National	10	1.00	24	28
Ohio State Life	100	10.00	225	...
Old Line Life	10	.60	16	17
Pacific Mutual	1	...	3	4
Peoples Life, Ind.	10	.60	20	25
Philadelphia Life	10	...	3 1/2	4 1/2
Rockford Life	10	...	4	8
Sun Life, Can.	100	...	940	970
Travelers	100	16.00	490	500
Union Central	20	1.20	21	...
Wisconsin Natl.	10	.50	16	18

* * *

BETTER BUSINESS BUREAU ASSISTS

A boost for life insurance and a warning against racketeers who would profit out of policies at the expense of policyholders was issued by the Better Business Bureau of Chicago in a broadcast over WMAQ. Life insurance was characterized as the "promoters' target." It was pointed out that the promoter's primary interest is in getting the money. Life insurance values represent quick cash to the twistlers and racketeers. "Because of their liquidity life insurance policies constitute fertile lure for the promoter," it was stated. Many promoters resented the fact that Better Business Bureaus pointed out the flaws in some of the schemes. "Many life insurance loans, even in the so-called balmy days, were made that the borrowers might buy distant fruit farms on fundamentally unsound terms. "Today prosperity will assume sound and healthy proportions only as the public is careful not to waste or throw away its established assets. When it is proposed that you cash in your life insurance policy by obtaining a loan on it, be very sure that that is what you ought to do. Get the facts. When the promoter aims at your life insurance—dodge."

Reputation

Means a lot to us. We are proud to be known throughout the West as the "fair practice" company. It is our constant endeavor to strengthen this reputation by - -

—Declining to talk with any life insurance agent about a connection except after reference to his company's Home Office or Manager.

—Never accepting applications which involve twisting.

—Refusing to lower our standards to get business when in competition.

—Aiding the Institution of Life Insurance by swelling our ranks with NEW and GOOD men from outside the business rather than direct our Recruiting effort toward the Agents and Managers of other life insurance companies.

California Western States Life Insurance Company

HOME OFFICE:
SACRAMENTO

O. J. LACY
PRESIDENT

1937 Golden Jubilee Year 1937

Provident's 50th Anniversary Year opens auspiciously, for 1936 was closed with an ALL-TIME record in all Departments of the Company.

GAIN OF LIFE INSURANCE IN FORCE

— \$19,405,854.00 —

...

Accident and Health Premium Income
Over \$4,900,000.00

(A gain of more than three-quarter million)

To our loyal Fieldmen who made possible this all-time record for 1936, our sincere compliments.

PROVIDENT LIFE and ACCIDENT

INSURANCE COMPANY

CHATTANOOGA, TENNESSEE

NEWS OF LIFE ASSOCIATIONS

New Orleans Congress Is Held

Over 500 Hear Robinson, Taggart and Works Discuss Sales Plans — McClain Views Licensing

An enthusiastic audience of 500 attended the 1937 sales congress of the New Orleans Association of Life Underwriters.

C. C. Robinson, editor of the "Insurance Salesman," told where, when and how to look for business in discussing prospecting. Names can be obtained from personal friends, from acquaintances in lodges and clubs, by increasing already existing policies, he said. To get prospects ask a friend: "If you were in the insurance business, who would be the first man you would call on?" Another idea is to chart policyholders as to street and number and pick out the man next door or directly across the street, or immediate neighborhood, and obtain information vital to the canvass from the policyholder. Armed with this the sale is half made, said Mr. Robinson.

Grant Taggart, California-Western States Life agent at Cowley, Wyo., and chairman of the Million Dollar Round Table, said he doesn't specialize in large policies but depends upon steady plugging day after day, writing policies that his clients can pay for without a fear of a lapse. Service to clients is the most essential thing, he said.

Indiana Standards Told

Commissioner McClain of Indiana in "Modern Educational Standards" explained the licensing of agents in his state and the standards required by the insurance department. Indiana requires a course of study by all applicants for licenses with an examination both as to character and ability. In practically all cases where a complaint is made by a dissatisfied policyholder investigation proves the dissatisfaction was caused by misrepresentation of the agent.

Because of the enforced absence of Holgar J. Johnson, Pittsburgh general agent of the Penn Mutual Life, Philip O. Works, St. Louis general agent of the Penn Mutual, was pressed into service as a pinch-hitter. Mr. Works makes a specialty of selling promising young men and increasing their policies when their financial status warrants. An important feature in closing is to get the money as soon as the medical examiner has completed his work, said Mr. Works.

Charles T. Evans of the Arkansas Light & Power Co., spoke on "Sales Talks, Canned and Otherwise."

Pat Aldrich, vice-president, and T. M. Simmons, sales congress chairman, presided. Cups were awarded 22 leading producers by Fred J. Lelaurin, associate general agent of the Aetna Life, New Orleans. Membership awards were made to Arch Venable, manager National Life & Accident; Fred Lelaurin, general agent Aetna Life, and Frank Friedler, manager Home Life of New York. Presentation was made by George Clarke, chairman membership committee.

Three Congresses in Texas

Notable List of Speakers Heard at Sessions in Dallas, Houston and San Antonio

Success once again was accorded the tri-city sales congresses sponsored by the Texas Association of Life Underwriters in cooperation with the local associations in Dallas, Houston and San Antonio. The first meeting was in Houston on Tuesday with 400 attend-



RICKS STRONG

ing; the second was at San Antonio and the last in Dallas on Thursday.

The speakers included I. S. Kibrick, Brockton, Mass., leading personal producer of the New York Life; Holgar J. Johnson, Pittsburgh, and Philip O. Works, St. Louis, general agents Penn Mutual Life; and A. R. Jaqua, "Diamond Life Bulletins."

Each meeting was in charge of Ricks Strong, Dallas general agent of the General American Life and president of the Texas association.

J. M. Abell, president Houston association, gave the address of welcome in his city. Mr. Strong spoke on "Your State Association."

Mr. Works advised the agent first to make the sale in his own mind, second to get confirmation from the prospect of the agent's idea as applied to the prospect, third to get confirmation as to money, and fourth to ask the prospect to buy.

"Creative prospecting," Mr. Kibrick stated, "is so identifying yourself with the prospect that you would do the thing you suggest. When your imagination finds the problem, you bring together the problem, company service and yourself."

O. Sam Cummings, Kansas City Life, Dallas, vice-president National association, spoke on "Your National Association."

Mr. Jaqua recited some of the points which successful agents have in common. He described the flood picture on

the Ohio river and in response to a resolution introduced by H. K. Cassidy, Pacific Mutual, Houston, \$100 was donated to the Red Cross.

Mr. Johnson made the final talk. He urged using energy to make sales presentations, to take the energy to the right market and to use organized sales technique.

J. M. Gantz, Pacific Mutual, Cincinnati, who was scheduled on the programs, got as far as St. Louis, but turned back due to the illness of his daughter and to flood conditions.

At the leaders banquet in Houston, 55 agents won prizes.

Outlines Use of Energy

Good Man May Waste Potential Value by Calling on Poor Prospects—Needs to Plan Drive

H. J. Johnson, Pittsburgh general agent Penn Mutual, gave three talks this week at Texas sales congresses held in Houston, San Antonio and Dallas. The subject was "Approaching Your Potential," and in the discussion he outlined factors that would help an agent to attain his peak production power.

Mr. Johnson said in part:

"First is the matter of energy output. Let's face frankly the question of whether or not our agent who is going to attempt to approach his potential in 1937 has an energy output sufficient to justify his hope of attaining his potential. It is said that the average agent spends less than two hours a day in the presence of the prospect. How true this is, the agent himself can determine if he makes an accurate estimate of the number of actual sales presentations he has had during the past year. On the average, I will wager that it is less than two honest sales presentations per day. Oh yes, he may call on five or six people, but it is the exceptional agent who actually gives three sales presentations every single day, or 15 a week on a five day week basis.

Cites Own Experience

"For instance, we took a group of men in our own agency whose average production was \$175,000, running all the way from \$146,000 to \$195,000 in volume. These men did a creditable job, but in making an analysis of their sales effort during the year, we found that they had an average of 23 calls per week per man, but their actual sales presentations amounted to 5.4 per man per week, or actually slightly more than one a day for five working days. Certainly this can hardly be considered sufficient energy output to justify a man's approaching his potential production possibilities in 1937.

"To the man whose energy output is sufficient to justify his hope of increased production in 1937, he may find that in order for him to reach more closely his potential production possibilities, he must take that energy to a better market. For instance, assuming a man is giving three or four sales presentations every day, if the market to which he is taking his effort is limited in its purchasing capacity to a \$2,000 policy, obviously his production possibilities are very definitely limited by that market. On the other hand, if he takes his services to a market that has a buying capacity of \$5,000 policies or \$10,000 policies, that in turn will determine somewhat his approaching his potential in 1937.

Gives Suggestions

"May I make the following suggestion as a means of improving your market: First, make a list of all the names in your community of men who have better than average earning capacity. Second, make it your business to become acquainted with three to five of these people every single week so that you may continually enlarge your circle of activity among people with a better than average earning capacity, and third, it might be well to review your prospect file and throw out every person with an

earning capacity of less than, we'll say arbitrarily, \$100 a month income. You may set the figure at whatever you believe should be the market to which you take your time.

"The third phase of development is improvement of your sales technique, first by actually knowing what you are going to say when you come in to the presence of a prospect through having an organized sales presentation. This organized sales presentation should be built along the lines that will provide you with an opportunity to have an interesting discussion about the facts of life as they pertain to the prospect and should be built on a basis that will give you a chance to portray at least one predominant need that the prospect may not be aware of.

"In the present era of social security discussion, and with ceilings coming down as to the actual length of the working span of individuals, it is well for us to continue to stress the definite need for retirement income in order that the prospect may have the privilege at retirement age of determining whether or not he prefers to continue to work or whether he prefers to retire on at least sufficiently large income to maintain a reasonable standard of living."

* * *

Birmingham Sales Congress

Men and Money Now Stressed, Says Hull—Simon, Gantz, Taggart and Julian Talk

BIRMINGHAM, ALA., Jan. 28.—Life insurance as a stabilizing influence in the nation's economic structure was stressed at the annual sales congress of the Birmingham Association of Life Underwriters. An attendance of 400 set a record.

R. B. Hull, managing director National association, said "men and money are going to take precedence over machines and materials in the years just ahead, and a greater development of the instinct to save will absorb the shock of the next depression." The government's social security program points the way for the public to become retirement minded and falls directly in line with the aims of life insurance, said Mr. Hull.

Average Business Cover Small

Len Gilbert Simon, Equitable Life of New York, New York City, declared the nation need have no fears of an upset in monetary values through inflation as business indicators now point the other way. Mr. Simon, who is an expert on business insurance, discounted the prevailing idea that this type of business is written largely in big cases. A survey of business written by four of the larger companies in New York showed that the average business policy was only \$4,400. The average business policy for the whole country is much smaller, probably not over \$2,200, he said.

In "Life Insurance Can Be Merchandised," Joseph M. Gantz, Cincinnati general agent Pacific Mutual Life, declared men buy life insurance from the heart and not from the head and that agents should not try to be too logical in their solicitations.

Taggart Stresses Small Policies

Grant Taggart, California-Western States Life, Cowley, Wyo., chairman of the Million Dollar Round Table, spoke on "Success in Life Underwriting Through Many Applications." He advised agents to take policies as they come and not try to land just the big ones. "You get the little ones and the big ones will come your way, also," he said.

Conley Merchant, Birmingham attorney, told how agents may work in harmony with lawyers and trust companies in creating and handling estate cases.

Superintendent Julian spoke at the luncheon.

Frank Drake, president of the Birmingham association, introduced the speakers. Orlando Ogle, agency man-

TEAM MATES IN THE FIELD OF COMPLETE INCOME PROTECTION

L'ROYAL PROTECTIVE INSURANCE COMPANY
LIFE INSURANCE COMPANY : : :
BOSTON, MASSACHUSETTS

SELLING OPPORTUNITIES

Non-Cancellable Health and Accident Policies
Low Cost Life Insurance Including a New Juvenile Policy
UNUSUAL PROGRAM OF FINANCING FOR CAPABLE PRODUCERS
Inquiry Is Invited

ager for Pan-American Life, was general chairman. The luncheon was furnished through the courtesy of the four local companies, Protective Life, Liberty National Life, Southern Life & Health and American Life of Alabama.

Two Caravan Meetings

The caravan from the San Francisco Life Underwriters Association led by President T. A. Gallagher and G. F. McKenna, program committee chairman, will present a program at Stockton Feb. 5, and at Sacramento, Feb. 6. Mr. Gallagher will discuss "Building Prestige Through Membership in Your Association" and Mr. McKenna "Putting Your Best Assets to Work." Other speakers will be K. L. Brackett, president California association; Gault Davis, Equitable of New York, on "Doing Today's Job in Planning and Prospecting"; R. G. Minty, New England Mutual Life, on "Programmed Selling"; and J. L. Brader, Equitable Life of Iowa, on "A Life Underwriter Comes of Age."

Fort Smith, Ark., Group Formed

Ten representatives of life companies doing business in Fort Smith, Ark., have organized an association. W. C. Davis, Equitable Life of New York, was named temporary chairman and plans were made to hold a luncheon meeting. L. M. Wilson, president state association, will be invited. A. Pollock, L. Langfelder and R. H. Kagy will make arrangements. Present for the first meeting were: Mr. Langfelder, Prudential; Don Andrews, Guardian Life; L. N. McAfee, Metropolitan Life; Mr. Pollock, Union Central; Mr. Kagy, S. E. Smithson, J. A. Carroll, M. L. Croom and R. R. Cornelius, Aetna Life.

San Francisco—R. J. Shipley, general agent Northwestern Mutual Life, has been appointed general chairman for the sales congress of the San Francisco association March 26. Members of the committee are: W. V. Power, Aetna Life; H. V. Montgomery, State Mutual Life; Hal Willson of the brokerage firm of Willson & Filmer; G. F. McKenna, Continental Assurance, and C. W. Peterson, Phoenix Mutual.

Appleton, Wis.—A comparison of the social security act with retirement plans offered by life companies was given by John Trautman, Massachusetts Mutual Life. "The social security program," Mr. Trautman said, "is directly in line with plans of life companies. It may point the way for the public to become retirement-minded and provide a cushion against future economic disaster. By setting up compulsory old age retirement benefits has fallen directly into line with aims of life insurance and has opened the way for future greater savings. The

degree of old age retirement required by law is a minimum and many people will turn to life companies for increased assurance of independence in old age."

The Appleton association voted to affiliate with the Wisconsin State Association of Life Underwriters.

Little Rock, Ark.—Carrol Thomas, general agent General American Life, spoke on "Prospecting Through Civic Contacts." In addition to his duties, Mr. Thomas was president of the "President's Club" of his company for the year just passed, in recognition of his personal production record. His address was followed by a clinical discussion of prospecting methods, led by Arwood Henderson, field assistant Union Central Life. C. H. Wickard, Jr., secretary, reported on membership activities, and F. A. Vineyard, for the special public relations committee.

Knoxville—"Business Insurance" was the subject of a talk by Leon Gilbert Simon of New York City. Delegations from Chattanooga and several east Tennessee towns were present as well as a number of local bankers. After his talk, Mr. Simon conducted a forum in which he answered many questions pertaining to agreements, taxes and methods of selling business insurance. W. L. Ambrose, the president, presided.

Boston—V. B. Coffin, superintendent of agencies Connecticut Mutual, said any agent who didn't think prospecting for life insurance was "fun," pleasant fun, an occupation of making friends, and couldn't get excited about it, was in the wrong business. It was "Past Presidents' day and 18 past presidents of the local association took a bow as they were presented.

Joliet, Ill.—Chairman Hensold of the membership committee announced that 40 members had already paid their 1937 dues and that 20 more were expected before Feb. 15. President J. F. Skrinar presented a framed 100 percent certificate to the T. A. Lauer agency of the Northwestern Mutual for having all agents as members of the association. The feature of the program was an original playlet entitled, "How Not to Write Life Insurance," by Dan Starmann, agency organizer of the Coyner agency of the Mutual Life of New York.

Wichita, Kan.—Riley G. Cunningham, president Kansas association, reported on its activities. Plans for the annual sales congress and convention in Topeka in May were discussed. Wilbur Jones of the Wheeler-Kelly-Hagney Trust Co., Wichita, spoke on "Wills and Trusts." Mr. Jones will appear later on "Business Insurance Trusts."

San Antonio, Tex.—The January meeting was devoted mainly to a brief review of the various phases of activities sponsored in 1936 and an outline of plans for the current year. W. S. Symonds told of C. L. U. work, Starkey Duncan on the effort to fit programs of meetings to

Mosler Exceeds Million Mark for Seventh Year

Henry G. Mosler of Los Angeles, life member of the Million Dollar Round Table, paid for \$1,788,000 new business in 1936. He entered the business in 1930 and this was the seventh consecutive year in which his annual production has exceeded the million mark. He now has a total of over \$10,000,000 business on the books. Mr. Mosler has been appointed chairman of the pre-convention outing of the Million Dollar Round Table group, which will be held in Colorado Springs next August.

the daily work of the agent, O. P. Schnabel on activities in civic affairs, B. A. Wiedermann on business standards and Paul C. Creamer on membership standards. President Matthew Brown pointed out the five ways which are open to people for investing money and F. R. Hierholzer spoke briefly on "Planning the Underwriter's Year."

Waco, Tex.—W. F. Smith, accountant, explained the effect of the social security act on life insurance agents, so far as it has been determined.

Atlanta—Life men from throughout Georgia gathered at a sales congress which held a morning and an afternoon session. The meeting, well attended, was in charge of C. E. Stevens, president State association, and Baxter Maddox, president Atlanta Life Underwriters. Speakers were J. M. Gantz of Cincinnati; R. B. Hull, managing director National association, and L. G. Simon of New York.

Lincoln, Neb.—Judge Bayard H. Paine of the state supreme court, an authority on finance and economics, said at the January meeting that only a speedy settlement of General Motors strikes troubles would save the 1937 recovery movement from going smash. He said that another menacing factor was the inability of the federal government to balance its budget within the next two years. The association named a committee to confer with the city school superintendent on staging an essay contest along National association lines.

Bridgeport, Conn.—Life insurance for closed corporations, partnerships and sole owners of a business was discussed by E. C. Nixon, Connecticut Mutual Life, Hartford.

Galveston, Tex.—That the broad benefits of the social security program should do much to cushion the road to lasting prosperity for Americans was the decla-

ration of President Frank E. Simmens. He told the members how the government plan would aid insurance men in selling retirement contracts.

Columbus, O.—Franklin Toops, recently transferred from Chicago to Columbus as manager of the life department of the Travelers, spoke on "The Unusual Characteristics of a Successful Life Insurance Agent."

Seranton, Pa.—Vice-president H. E. North of the Metropolitan Life spoke this week.

Seattle—Fred W. Elio, Phoenix Mutual Life, was installed as president at the January meeting. L. C. Appleman and R. E. Chastain were named vice-presidents; Mrs. Ethel Y. Phillips, secretary, and E. Williams, treasurer. The social security act was discussed.

Peoria, Ill.—Ernest W. Owens, Detroit, manager Sun Life of Canada, gave his inspirational talk, "Thirteen Keys to Success."

Detroit—Members of the Associated Life General Agents & Managers agreed at their January meeting to make surveys of their agencies to get non-members to join the Qualified Life Underwriters.

Buffalo, N. Y.—G. V. Kuhner, superintendent agencies Travelers, spoke at the January luncheon meeting, on "Some Things the Prospect Doesn't Know."

Burlington, Vt.—F. B. Summers, supervisor New England department of the New York Life, spoke.

Outing for Millionaires

The executive committee of the Million Dollar Round Table, composed of Grant Taggart, Cowley, Wyo., chairman, Jack Lauer, Cincinnati, and Paul Sanborn, Boston, have inaugurated a pre-convention outing of the Round Table to be held in Colorado Springs, Aug. 20-22. Henry G. Mosler of Los Angeles has been appointed chairman.

The outing is to be a stag affair and those interested in attending should communicate with Mr. Mosler, 530 West Sixth street, Los Angeles, who will make the necessary reservations at the Broadmoor hotel. The outing will be informal, with golf, tennis, swimming, skeet shooting, squash, horseback riding, steak fries, chuck wagon feeds, etc. A similar outing was held last fall near Boston.

Villmoares to Florida

KANSAS CITY, Jan. 28.—E. S. Villmoare, vice-president of the Kansas City Life, and Mrs. Villmoare, have gone to Florida for a rest and vacation. Mr. Villmoare has just recovered from a long illness.

FOR LIFE

A renewal commission is the underwriter's just payment for following up his business and keeping it in force. It is a service fee and is justified as long as premiums continue to be paid.

Occidental recognizes this truth by providing lifetime renewal commissions in its new agents' contracts. Its men are thus justly rewarded for quality business.

Agents who produce business that "stays and pays" will find that it pays best with Occidental.

OCCIDENTAL LIFE INSURANCE COMPANY (of California)

V. H. JENKINS, Vice-President

Home Office: LOS ANGELES

A PLEDGE

"Since its organization in 1900, the guiding principle of Liberty National Life Insurance Company has been to achieve success by deserving it; to protect its Policyholders and their Beneficiaries with a fair, unselfish contract and to construe it liberally in their favor; to serve them faithfully, adequately, honestly and economically."

LIBERTY NATIONAL LIFE INSURANCE CO.

Birmingham, Alabama

FRANK P. SAMFORD, President

AGENCY MANAGEMENT

Some Supervision Problems

J. M. Holcombe Spoke at Pittsburgh and Talked to One Group on Recruiting of Agents

John Marshall Holcombe, Jr., manager of the Life Insurance Sales Research Bureau, together with John Jamison, of the Bureau, were the speakers before two of the life underwriters' organizations in Pittsburgh.

Mr. Holcombe spoke to the Pittsburgh Supervisors Club on "Problems of Supervision." According to Mr. Holcombe, two primary duties of the supervisor or general agent are, first, consideration towards the individual problems, just as the agent studies the needs and personalities of his prospects; second, development of habits. The supervisor should make it possible for the agent to translate his knowledge of life insurance into skillful use. Knowledge alone is insufficient as far as success in underwriting is concerned. The "graceful failure," in Mr. Holcombe's phraseology, should be eliminated.

Later Mr. Holcombe talked to the agencies committee of Pittsburgh, the organization of general agents and managers, of which about 35 were in attendance. The subject was "What's New in Recruiting." Nothing under this heading, said Mr. Holcombe, is actually new. The problem of recruiting is becoming more difficult. Throughout the country 75,000 men per year have been leaving the business. The cost of life insurance, because of lower interest rates, is increasing. One of the trends in recruiting is towards younger men, but Mr. Holcombe pointed out the difficulty of interesting the proper type of young man, especially the college grad-

uate. As to method of hiring, the bureau has found that those hired over a short period of time do not stack up as well as those hired more deliberately and that those taken on through the personal efforts of the general agent prove most successful.

Mr. Holcombe urged more intimate personal contacts between the general agent and the agents. He pointed out the fact that the compensation for new men is low and that a better method for remuneration for new men in the business must be found.

By special request of the Pittsburgh life men, the Life Insurance Sales Research Bureau will bring its two weeks school on agency management to Pittsburgh on March 29.

Daily Heads Kansas City Men

KANSAS CITY, Jan. 28.—H. S. Daily, general agent Connecticut Mutual Life, was elected president of the General Agents & Managers' Club. V. W. Wiedemann of the Sun Life was elected vice-president, and C. H. Church, Travelers, secretary-treasurer. George Harsh, Mutual Benefit; J. F. Trotter, Mutual of New York; Dallas Alderman, Kansas City Life, and H. A. Hedges, Equitable Life of Iowa, were named to the executive committee.

R. E. O'Malley, Missouri superintendent, attended the dinner and spoke briefly. Lambert O'Malley, his son; R. H. Mann of the Mann-Barnum-Kerdolff & Welsh Agency, and W. E. Bixby, assistant secretary of the Kansas City Life, were guests.

Boston Association Elects

BOSTON, Jan. 28.—L. J. Gordon, of the firm of A. H. Curtis & Co., general agents New England Mutual Life, has been elected president of the General Agents & Managers Association. The association, now some 10 years old, has a membership of 60. The other officers elected were: vice-president, Manuel Camps, Jr., president of the Boston Life Underwriters Association, and general agent of the Penn Mutual Life; treasurer, G. P. Smith, New York Life; secretary, J. B. Gridley, Connecticut General; executive committee, Paul F. Clark, John Hancock Mutual Life; F. E. DeGroat, Mutual Benefit Life; McKinley Warren of the Phoenix Mutual; Alexander M. Hammer of the Provident Mutual; and M. G. Summers of Moore & Summers of the New England Mutual Life.

Discuss Brokerage

DENVER, Jan. 28.—There will be a round table discussion at the Feb. 3 meeting of the Denver Managers Association concerning agency practices as related to brokerage business.

Ogilvie Named in Lansing

LANSING, MICH., Jan. 28.—The Lansing Life Managers' Association has elected Allan H. Ogilvie, state manager Kansas City Life, president, succeeding N. E. Glassbrook, Ohio National Life, resident superintendent of agencies. Other new officers are: Vice president,

F. M. Wilson, manager Equitable of New York; secretary-treasurer, H. C. Brogan, manager Great West Life; directors, J. P. Leatherman, Continental Assurance; J. A. Pino, Mutual Benefit Life, and O. L. Shaw, Peoples Life.

LeLaurin Elected in New Orleans

Fred E. LeLaurin was elected as president of the General Agents & Managers Association of New Orleans. Other officers are Dorion Fleming, vice-president, and Frank Freidler, secretary-treasurer. Mr. LeLaurin is a former president of the New Orleans Association of Life Underwriters. He is New Orleans national councillor of the National association.

Boston Supervisors Hear Camps

Manuel Camps, Jr., general agent Penn Mutual Life and president of the Boston Life Underwriters Association, addressed the Boston Life Supervisors Club on "Why and When Men Become Supervisors."

Kelly Speaks in Brooklyn

E. C. Kelly, conservation supervisor Home Life of New York was the guest speaker at the Brooklyn Life Managers Association monthly luncheon. He outlined his company's practice in rating the quality of business submitted by its agents.

NEW YORK

SPECIALIZES IN SALARY SAVINGS

Leo Bachrach has been appointed salary savings supervisor of the Rosenstein Agency of the Equitable Life of New York in New York City. He began specializing in this type of coverage about the middle of last year and was very successful at it. As supervisor, he works on a joint basis with other members of the agency as well as on his own cases.

Many agencies of the Equitable have found it valuable to have a salary savings specialist in the organization to work on a joint basis with other agents, as frequently men have good contacts for developing salary savings but shy away from the details involved because they handle so few cases that they would soon be beyond their depth.

Mr. Bachrach makes it a practice to arrange for a desk and special office hours in each concern where he installs a salary savings plan, so that employees know at what hours and on what days they can consult with him about their insurance. In this way, the entire organization which is insured under the plan can have the benefit of advice about their coverage.

* * *

STAGES PACE-SETTING DRIVE

The Fraser Agency of the Connecticut Mutual Life in New York City paid for more than \$1,000,000 in nine working days as the result of a pace-setting drive which had as its object an amount of submitted and paid business equal to the entire month of January, 1936. Submissions exceeded January of last year by 6 percent and paid business exceeded it by 13 percent.

In the absence of General Agent J. M. Fraser, who has been attending the

Protection Needs for All Reaching 65 Are Shown

HARTFORD, Jan. 28.—About half the number of persons reaching age 65 are in need of financial help, or will be before they die, W. H. Williamson, former actuary of the Travelers and now connected with the Bureau of Federal Old-age benefits of the Social Security Board, told the Hartford Life Underwriters Association.

"Out of probably nearly 8,000,000 people over the age of 65 at the present time," Mr. Williamson said, "possibly 2,000,000 have adequate earnings from employment for the support of themselves and those dependent on them. Possibly 2,000,000 more have had that combination of wisdom and good luck and inheritance which provides them adequate competences for the rest of their probable lifetime. Probably another 2,000,000 clearly fail to save sufficient personal resources for immediate support and are dependent on relatives or public or private charity for the various necessities of life, leaving the balancing 2,000,000 with such slight resources that there is every probability that they will come to need before death."

Connecticut Mutual general agents conference at Florida, the drive was handled by Associate General Agents H. J. Ransom and J. F. Toomey, with the cooperation of George F. B. Smith, assistant superintendent of agencies at the home office. In the nine full working days, 61 individual agents submitted 90 applications. The agency's goal for 1937 is \$15,000,000.

Omaha Premium Tax Move Is Checked by Opposition

OMAHA, Jan. 28.—A week ago the Omaha city council apparently was embarked on a taxation course which in defiance of threats of legal action would have levied an occupation tax on gross premiums in order to raise \$50,000 a year. The council, however, has backed down after a storm of protest. The city finance department explained reports from the federal government on income tax returns filed by insurance companies are being awaited.

The council's about face is largely ascribed to a statement issued by John Barth, insurance actuary, that a city tax on premiums would endanger the existence of Omaha life companies.

He said life companies are different from other businesses which automatically pass a new tax on to consumers, for they cannot do that. Life premiums are limited by state law and competition, and cannot be increased on a policy in force. The premium charge is contractual. The tax must come from profits, he said, and if the company has no profits it must dig into reserve, with danger of insolvency in some cases.

He pointed out that fire companies can automatically handle the tax by increasing premiums. A danger pointed out was reciprocal taxes in other cities. Finance Commissioner Knudsen concluded an insurance premium tax was not definitely decided upon and said the council might levy a head tax on insurance agents or base the tax on net income of company. He said \$50,000 revenue would be obtained from insurance companies by some means.

J. T. Thompson, manager of the Mutual Life of New York at Little Rock, announces that W. H. England of Hope, Ark., led all other representatives of this company in the United States in number of lives insured during December.

JUVENILE INSURANCE

A plan for every purpose—
issued from ages
1 day to 15 years

- 20 Payment Endowment at Age 85
- 20 Payment Endowment at Age 65
- 20 Year Endowment
- Educational Endowment at Age 18

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for Qualified PRODUCERS
in TEXAS, IOWA, NEBRASKA and
the PACIFIC NORTHWEST

LIBERAL CONTRACT

write J. J. BELL, President

MIDLAND NATIONAL LIFE Ins. Co.

WATERTOWN, SOUTH DAKOTA

LEGAL RESERVE FRATERNALS

Illinois Fraternal Meet

Congress Discusses Status of Societies' Plans; Winder Administration Attacked

OFFICERS ELECTED

President, John Stock, Maccabees.
Vice-president, Joseph Sheen, Fidelity Life counsel.

Secretary, R. H. Matthias, Lutheran Brotherhood, attorney associated with Ekern & Meyers, Chicago.

Treasurer, C. J. Del Vecchio, Royal League.

Directors, Vincent Ferrara, Italo-American National Union; R. E. Sieben, W. E. Mooney, Woodmen of the World; Nick Murray, Samuel Kostelny, G. H. Knight, F. A. Veider, Bohemian National, and Harry Tressel, actuary.

An election debate which culminated in the defeat by a close margin of the candidate backed by former President D. T. Winder, strong criticisms of certain sections of the proposed Illinois insurance code and a talk by Assistant Illinois Director R. L. Davis featured the annual meeting of the Illinois Fraternal Congress held in Chicago last week. Henry Moser, chairman insurance section Illinois State Bar Association, discussed the new code.

Stock Defeats Coyle

Opponents of President Winder, headed by W. E. Mooney, Woodmen of the World, alleged he was dictatorial in his methods and had recommended candidates for the legislature and other offices, without backing of the executive committee. Most specific charge was that he sent out bulletins during the past year on his own authority. Mr. Winder in a speech closing the morning session made a strong defense of his administration, saying he had taken the post after others had declined and pointing out accomplishments during the past two years, especially in regard to the fraternal act of 1936; securing favorable statements from both Republican and Democratic candidates for state offices, and describing growth of the organization during his tenure.

Mr. Winder was renominated but withdrew and repeated this when his name was put up for secretary.

John Stock, supported by Mr. Mooney and others who disagreed with President Winder, won 46-37 over L. D.

Coyle, North American Union. Mr. Sheen was elected vice-president and R. H. Matthias, Lutheran Brotherhood, was reelected secretary. However, the congress voted to make all unanimous.

The Illinois congress is the largest state association of fraternal in the United States, the report of the president stated. It was recommended that the bulletin service be continued even to non-paying societies for the interest of the fraternal movement. It said the congress was largely responsible for enactment of the fraternal law of 1936, which repealed that of 1893, but warned of threat of future inimical legislation.

Tells Tax Situation

However, the congress has received a friendly letter from Governor Horner, relating to the matter of premium taxes. The report declared Illinois fraternal certificate holders are in an enviable position in this factor. President Winder in his paper and later in defending his administration deplored refusal of some societies even to discuss fraternal taxes, saying that this was no way to solve the problem.

He also suggested that, since the premium tax is an excise levy for the privilege of doing business, why not use the cost of doing business as the tax base? A small percentage tax upon the amount collected and used for expense purposes would not cause a re-rating, and inducement of the lower tax for lower overhead under this plan would encourage curtailment of unnecessary expenses by the fraternal, he believes.

Lists Disease Toll

During last year fraternal operating in Illinois paid \$565,404 in death claims for 636 pneumonia victims, and about 1,762 certificate holders contracted the disease. He said 60 percent of these cases were of the kind that requires type 1 serum, costing about \$50 apiece. He said if fraternal welfare society plans were in operation, the congress could have spent at least \$50,000 out of a potential \$900,000 so that 1,000 members or their beneficiaries would have had the benefit of such treatment, and thus continuing a certificate holder on a premium paying basis instead of allowing him to become a death claim.

Drops Federation Contact

The report recommended the congress cease affiliation with the Insurance Federation of Illinois, saying the latter organization has done nothing to warrant continued adherence. The congress has joined the National Fraternal Congress, although the latter has not become a parental body through this. The report said since only one-fourth of eligible societies are members of the N. F. C., it is not a truly representative body.

There was a startling difference among the various fraternal in the cost of doing business, and each penny of profit per member paid to waste, ignorance, selfish interests or inefficiency over a period of one year, costs fraternal licensed in Illinois over \$50,000. Out of the \$127,020,249 paid in by members of the 141 societies in the state, \$29,787,280 went for expense purposes, he said.

Societies' Status Differs

During 1935 the 141 societies had 5,918,915 members carried in average amount of coverage of \$889 each, which totaled \$5,207,167,000 in force. One society had an average of \$4,000 per member and another only \$50. Seven of the societies averaged \$200 or less per member. Most of them, however, average \$500 to \$1,000 per member. President Winder reported 83 societies out of the 141 have over 10,000 members each, which is considered in some quarters the minimum for economical overhead combined with sufficient spread of risk. Thirty-eight societies had fewer than 5,000 and 58 had less than the 10,000 specified. Average salary of the president of the 117 societies reporting this

item was \$4,438 per year. Highest paid presidents were those of societies which admitted members generally, while the lowest paid were those of the eight labor societies.

The report stated because of the wide divergence in the number of assured and the amount in force in the various fraternal, it made it difficult to compute the average cost of doing business under schedule G of the annual statement. The highest cost per \$1,000 in force for total expenses was \$172.83 and the lowest 48 cents. However, the next highest was \$36.20. It was pointed out that figures for a period of at least five years should be computed and individual societies had splendid expense records, some of the groups and many members generally having expense records far below the general average and even below special group averages. The report recommended further data be gathered on operation expenses in order that recommendation may be made for their reduction.

The secretary reported in 1936 there were 78 societies and eight individuals who were members of the congress out of 141 in the state that are eligible.

Law Section Program Given

Important Subjects to Be Discussed at Mid-Year Gathering in Chicago Feb. 22-23

The Fraternal Society Law Association will meet at the Palmer House, Chicago, Feb. 22-23, during the mid-winter meeting of the National Fraternal Congress sections there. An interesting and instructive program featuring prominent fraternal lawyers has been completed, and is announced by R. F. Allen, secretary, who is counsel of the Standard Life of Lawrence, Kan. Speakers and their subjects are:

W. C. Ewan, Kewanee, Ill., "Where it is necessary, because of conflicting claimants, for the society to interplead, can

the society by its contract provide for the allowance of attorney fees and costs from the fund so impleaded?"

W. C. Carter, Atlanta, Ga., "Suicide vs. Accident."

J. A. Langfitt, Jr., Pittsburgh, "Fraternal Insurance Law in Pennsylvania."

Francis Taptich, Pittsburgh, subject not announced.

The association probably will have at least one other number on the program, which will be given by a representative of an investigating company, or surety company. The association will furnish a speaker on the patriotic subject "George Washington," for the general luncheon of all the sections Feb. 22, a standing feature of the mid-year meetings. The law association regularly at these meetings has an outstanding speaker who honors Washington in inspirational style.

Officers of the association this year are: President, A. J. Calhoun, Memphis, Tenn.; past president, H. W. Adams, Beloit, Wis.; vice-president, J. A. Willo, Youngstown, O.; treasurer, E. W. Dillon, Columbus, O.; secretary, R. F. Allen, Topeka, Kan.

Nebraska Bills Opposed

Opposition is developing to two bills introduced in the Nebraska legislature relating to changes in structures of fraternal, and a public hearing soon will be held. It is claimed one bill represents in new form an effort defeated at several sessions in recent years to permit those in charge of large fraternal to transform them into stock life companies. Another is said to have been introduced at the request of a fraternal that wishes to transform itself into a mutual.

Hold Annual Convention

GRAND RAPIDS, Jan. 28.—Annual convention of the Michigan Union Life, formerly the New Era Life, was held with approximately 100 agents and other representatives attending. The convention followed a school of instruction for

Celebrating the 54th birthday of
MODERN WOODMEN of AMERICA
during January has been a very
pleasurable event in the hundreds of
local camps established throughout United
States and Canada. Members of
MODERN WOODMEN of AMERICA
are proud to belong to an organization
which has lived so long and which has
accomplished so much for the better-
ment of mankind.

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OUR FORTY-FIRST YEAR

● Backed by over forty years
of service and progress
and facing another era of
achievement.

SUPREME FOREST WOODMEN CIRCLE Omaha, Nebr.

A legal reserve, fraternal benefit
society which insures women
and children

Dora Alexander Talley
National President

Mamie E. Long
National Secretary

25 new agents at the home office. President G. L. Taylor, Owosso; Gaylord Nelson, secretary; E. W. Dales, medical director; three field supervisors and Glenn Kies of Lansing, formerly of the Ohio National Life and Peoria Life, were among speakers. The association is observing its 40th anniversary.

Honor General Lee's Birthday

The birthday anniversary of Gen. Robert E. Lee was observed by the Woodmen of the World, Omaha, by closing its head office. President De E. Bradshaw and several other officials come from Arkansas.

Examine Fidelity Life

The Fidelity Life of Fulton, Ill., is being examined by the Missouri department. The company recently filed application to reinsure the Degree of Honor lodge of Kansas.

Kansas Bill to Regulate

Fraternalists would be placed under supervision of the Kansas department by a bill filed in the legislature by Sen. J. S. McDonald, Wyandotte. Biennial examinations are stipulated. Reserves on N. F. C. basis are mandatory, salaries limited to \$10,000, relatives of officials barred from salaried posts.

Goodrich Agency Is Leader

E. F. Goodrich, Topeka, Kan., won first place in personal and agency production for the Bankers Life of Nebraska. He has been with the company 30 years, and personally and with his agency has repeatedly won high production honors. H. O. Johnson, who has been high man several years, was second in personal production and with his agency, and C. M. Stewart of Holdrege third.

Difficulties of the Royal Michaelanse Autonomic Beneficent Association, a Portuguese fraternal of Fall River, Mass., have led to the appointment of Commissioner De Celles as receiver.

Davis and Moser Address Fraternalists of Illinois

R. L. Davis, assistant director Illinois insurance department; and Henry Moser, chairman insurance section Illinois State Bar Association, featured the afternoon program of the Illinois Fraternal Congress at Chicago. Mr. Moser outlined aims of the proposed code upon which his committee has been working, which provoked considerable discussion.

Mr. Davis in his luncheon address outlined modern selling trends and conditions which the fraternalists as well as the commercial life organizations must face. While production has been up since 1933, he pointed out that during the last 10 years the number of fraternalists in Illinois remained stationary but their production dropped from \$1,053,254,000 in 1926 to \$726,721,000 in 1935.

Gives Bright Spots

One of the brightest spots in the fraternal picture is the fraternal act of 1936, Mr. Davis said. It has put the fraternalists on a sound actuarial basis and has broadened their contracts similar to those of commercial companies. He cited development of juvenile and income certificates. This has restored confidence and put the fraternalists in a better competitive position, he pointed out.

A most important thing for the fraternalists to do, he said, is to revamp their sales machinery. They must seek new personnel for membership. Newer risks should be secured, and the society should realize that the day when fraternal insurance was sold by volunteers is past and that paid agents are required. He urged an advertising campaign, but reiterated the need of a trained field force. Too often prospects who joined the societies of their own wish turn out to be poor risks.

The most important thing the fraternalists as well as the old line companies

have to offer the public is security, and they should pattern their business to do this without fail, Mr. Davis said. They must be able to offer the public a safe means of investment and must do this on a sound actuarial basis.

He declared that if old line and fraternal organizations cannot do the job the government will. He cited Wisconsin's venture in the life business as an example, and the federal social security act as another.

Mr. Moser recounted the work of the bar associations, insurance organizations and others in drafting the new code. He urged fraternalists to look at the code broadly, saying that it is not possible to please all insurance people, but that the document has been drawn up for the best interests of every one.

Two points in the code that came in for strong criticism were increased restrictions on municipal bond investments and the belief of the congress that the fraternalists are not sufficiently exempted from other life insurance laws as they have been under the 1936 act.

The new president will appoint a committee of 10 to consider various angles of the code. Bulletins will be sent to interested fraternal men soon. It was decided to do this before the congress took a definite stand on the proposition.

Installation of officers completed the day's program. Pearl Bowers, Ben Hur, president Indiana Fraternal Congress, was installing officer. Other special guests at the convention were Bernard Risse and A. E. Klophe, respectively fraternal supervisor and assistant fraternal supervisor of the Illinois department.

Tax Decision in New Mexico

U. S. Circuit Court of Appeals Finds Modern Woodmen Not Subject to Levy

Fraternalists are exempted from 2 percent premium tax in New Mexico in a decision of the U. S. circuit court of appeals in Santa Fe written by the late Judge G. T. McDermott. It was concurred in by two other justices. In the ruling the state was restrained from collecting the tax from the Modern Woodmen, the order being directed against Corporation Commissioner Casados.

This is expected to be an important precedent precedent in suits of other states to collect from the fraternalists, especially in Missouri where Superintendent O'Malley filed suit against the Modern Woodmen to collect 2 percent premium tax claimed unpaid and due for the period of 1897-1934. Attorney A. N. Adams for the society argues statutes of the two states are alike in exempting fraternalists from the tax.

Gist of the Decision

Judge McDermott held the sole question was whether the fraternal which was organized as a fraternal benefit society and recognized by courts as such, was subject to premium tax under statute specifically exempting fraternalists. He quoted the New Mexico statute: "Every fraternal benefit society organized or licensed under this act is hereby declared to be a charitable and benevolent institution, and all of its funds shall be exempt from all and every state, county, district, municipal and school tax, other than taxes on real estate and office equipment."

"Certainly if the plaintiff is a fraternal benefit society, it is not subject to the tax," Judge McDermott said. "The quoted statute of exemption removes that point from argument."

"Each year since 1908, the organization has presented to the state official authorized by the legislature to determine the question, its application to be licensed as a fraternal society. Each year the plaintiff was determined to be a fraternal society, and licensed as such."

He and his associates concluded the Modern Woodmen was a fraternal bene-

fit society as defined by New Mexico laws and not subject to the 2 percent tax levied on old line insurance companies. There is no adequate remedy at law, the court said.

The Missouri suit against the Modern Woodmen was filed by the superintendent in state court Oct. 18, 1935, and later was removed to federal court. It is expected to be heard in March.

Omaha Life Cashiers Organize

The Omaha Life Cashiers Association, organization which was completed last week, elected P. S. Miller, cashier Omaha Penn Mutual office, who first suggested the movement, president. L. W. Forbes, cashier New York Life, was made vice-president and M. Hodnette, cashier Union Central, secretary-treasurer. Membership represents 100 percent of the cashier members in the local life underwriters' association, requirement being that a member must be cashier of a local office of a legal reserve company and a member of the association. All of the cashiers also represent offices of local members of the Nebraska Life Managers Association.

It was felt that the organization would be of aid to men in the field and other members in the business in the exchange of ideas. This was cited in connection with the fact that the cashiers meet the policyholders face to face and in many cases keep the contact between the assured and the company.

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W. M. DEWEY, Managing Director.

SALES IDEAS AND SUGGESTIONS

Survey Plan of Approach Is Stressed at Sales Meet

The Rockwood S. Edwards general agency of the Aetna Life in Chicago held an all-day sales congress concluded with a banquet for its honor producers at which President Morgan B. Brainard was presented with a "key map" of Chicago with the pictures of producers in a special drive attached to it.

The Aetna Life is having good success with its estate control plan in which the agent secures the estimate from the prospect on the amount of immediate cash or clean-up fund, his executor would need, monthly income needed until his children are self-supporting, monthly income needed afterwards, educational funds for the children and the minimum monthly retirement income he needs. A blank is used giving an outline of information wanted with a policy receipt at the bottom which the agent can fill in and detach and secures the prospect's policies for analysis.

Agent Should Master Prepared Sales Talk

Robert B. Coolidge, superintendent of agencies, urged agents to use the estate control or survey plan. Before using the plan the agent should master prepared sales approach, he said.

By securing the information on the prospect's objective, the agent can go back with a policy analysis with the underlying thought that the idea is the prospect's and that the agent is only developing it, said Frank H. Plaisted, assistant general agent. This makes a psychological difference as the prospect cannot say he is not interested or does not need more insurance. The agent can get under the shell of the hardest boiled prospect in this manner.

In securing the information from the prospect it is necessary for the agent to build up the idea of the service he is going to render in making the policy audit in order to get the information. It is possible that he may get this information without the buildup, but it is a certain way of securing it.

Explain That Service Is to Establish Prestige

When the agent offers the survey service, the client may ask what the catch is. The agent should be frank, say that it is true he is in the business to sell life insurance but that doesn't mean he expects to make an immediate sale. He can explain that the competition is rather keen and the only way a man can stand out in the business is to offer something in the way of service to distinguish him from the rest of the agents. If he does do this, the prospect will naturally feel more like dealing with the agent when need for more insurance develops.

The surveyor estate control plan is effective because a prospect in his own mind doesn't need any more life insurance as such, but he can be sold on the idea of fulfilling his life's financial objectives with life insurance as a medium for doing it. The question of what does the average man invest in insurance may come up in survey work. It is estimated that the average expenditure of a man's income for insurance is 10 percent, but it is best that the agent should say that it is an individual problem and the percentage depends on what the prospect wants to do with his insurance. Obviously the prospect must draw up plans for his financial house in proportion to his income.

With the approach, "Is it possible that your family will not receive the full actual benefits under your life insurance

policies?" Samuel Klass, Aetna Life producer in Chicago, is able to arouse his prospects' interest in having a policy analysis made. Mr. Klass emphasized the need for making quality sales rather than numerical volume.

Talks were given on estate control plans by A. H. Rieckman and A. E. Hicks.

A clever talk on underwriting from the home office viewpoint was presented by W. H. Dallas, assistant vice-president. He used the sarcastic approach in outlining what the agent should not do in getting information and submitting applications, etc. Underwriting is impersonal, said Mr. Dallas, and although the agent may lose his commission on a rejected case, the underwriter will lose his job if he doesn't weed out the poor risks. Mr. Dallas urged agents to stick to facts and logic in dealing with underwriters, giving definite answers and facts. Sales talks should be reserved for the applicant and not for the underwriter. The agent should read his rate book and instruction manual several times during the year. A well informed agent can submit only first class risks and not bother with rejected applications.

Group Insurance Offers Fertile Field for Sales

A fertile field for group insurance was pointed out by W. T. Craig, group supervisor, in a talk "Where Are We Going in Group Insurance," and by G. R. Wilson and W. F. Becker, who gave a sales presentation for wholesale insurance.

The Aetna offers four types of group insurance: Life, health and accident and a pension plan for organizations with 50

or more employees and wholesale insurance for companies with 50 employees. Mr. Craig said the opinion is unanimous that 1937 will be an outstanding business year. The national income has increased from \$53,000,000,000 in 1935, to \$60,000,000,000 in 1936 and it was estimated that it will be at least \$65,000,000,000 to \$70,000,000,000 in 1937. The Aetna Life group sales up to Dec. 1 showed an increase of 23 percent and December was an exceptionally large month. A great percentage of the business in Chicago is written through regular agents. There has been a big increase in health and accident groups, which provides employees with protection at a low cost at no cost to the employer. Wholesale insurance to smaller firms offers an especially good sales opportunity because there are more prospects and less competition, said Mr. Craig. The social security act has helped the group business by making the employer and employee pension conscious. Many employers are interested in supplementary pension plans at the present time. Some employers may say they can't afford a supplementary pension plan because of the cost of the social security act. Mr. Craig said this is usually only an alibi because the tax is uniform and all businesses will add it to production costs.

Life Income Contract Appeals to Selfish Instinct

In selling group insurance the agent not only gets the commission on that sale, but also provides an entree to the sale of additional ordinary insurance. He cited many agents who have increased their contacts in this way.

The possibilities in the sale of life income contracts were brought out by R. O. Amyx. The life income form is especially appropriate to sell young men not interested in protection. While it is a selfish contract, it appeals to a great many people, as the selfish angle usually enters into the sale of insurance. It makes an especially good contract for

(CONTINUED ON NEXT PAGE)

Organize Work—Expand Contacts

To be a success in life insurance an agent must know his business, apply that knowledge, develop a personal following and cultivate a high professional standard of life underwriting, said Robert B. Coolidge, superintendent of agencies Aetna Life, at the company's sales congress in Chicago.

The agent is his own executive, he said. One of the best ways an agent can discover his own faults is to ask himself if he would invest in a business where the executive plans his work in the same manner in which the agent plans his. If he wouldn't then he should do something about improving his plan of work.

Difficult Work Pays More

Life insurance selling is a difficult work but people get well paid for performing difficult jobs. Few people can do difficult jobs, but too many can do easy jobs. To put his knowledge into effect, the agent should adopt a survey or a state control plan, said Mr. Coolidge. In building a clientele the agent should make friends of his policyholders and make policyholders of his friends, and expand his contacts. He quoted Lincoln's "If you would win a man to your cause, first convince him you are his friend," as the prime principle in life insurance selling. He urged the agents to take a personal interest in their policyholders and to cultivate their friendship by doing such things as sending them clippings they may be interested in, calling them up when their name is in the paper. Mr. Coolidge estimated that 80 percent of

the business of substantial producers comes from developing personal contacts.

Some agents are reluctant to call on friends because they feel like they are commercializing their friendship. An agent should not have this feeling if he calls on a friend in the right way. If he calls with an embarrassed manner and talks about general things and incidentally brings up life insurance, he probably won't sell the man and he loses his friend's respect. By giving him an incomplete presentation the friend wonders how the agent ever makes a living selling life insurance in that manner. The prospect expects a thorough interview from a life insurance salesman and if he doesn't get it he thinks the agent doesn't know his business. In the case of a half-hearted presentation to a friend, the prospect usually promises to give the agent his next policy and the agent in turn calls back later and eventually may become a pest.

The best way to tackle a friend is to give him a good thoroughgoing sales presentation. Even if the agent is not able to sell him, the prospect recognizes the agent's ability and knows how he makes his living. Eventually he will get business from the friend.

The life insurance business is approaching a time when agents will build up a definite clientele. To do this an agent must know how to and enjoy meeting people. He must enlarge his circle of contacts and friends and apply his methods to a wider clientele, said Mr. Coolidge.

Accident Agent Carries Sales Kit on His Nose

Al Bluhm, who carries his sales kit on his nose, outlined the methods which he used to become the leading accident salesman of the Aetna Life in Chicago in 1936 at the sales congress there.

To those who say "It can't happen to me," when Mr. Bluhm approaches them on accident insurance, he points to his nose and tells them about the accident he was in and thus makes a convincing sales argument.

Mr. Bluhm believes in a prepared sales talk. He has learned one "backwards, upside down and sideways." He rehearsed it in the street car and elevated as he was riding to work or calling on prospects.

Thorough Prospecting Pays

The results secured in thorough prospecting and in getting the names of other prospects as he goes along were outlined by E. C. McCaddon, second best accident and health producer. One of the best ways to develop business is to call back on a prospect who has refused to buy accident insurance and later has an accident. He clips newspaper articles regarding accidents and checks on the victim after a reasonable time. Often he finds the person did not have accident insurance and he gets the names of friends who obviously are in a receptive mood for the protection. Mr. McCaddon finds accident solicitation the best means of prospecting and building up a life insurance clientele.

Casualty Man Sells Life

The possibilities for a casualty man in selling life insurance were pointed out by Rudolph Le Boy. Agents with an established casualty business already have 100 to 500 accounts which will furnish them contacts to whom to sell life insurance.

The main difficulty faced by a life insurance man is to get a proper interview at the opportune time. Because the casualty man has already established his contacts, this problem is that much easier. Mr. Le Boy has found that selling life insurance doesn't interfere with his casualty business and that his best life insurance sales years have been his best casualty years. Men like to buy life insurance from those in whom they have confidence and the casualty man who develops his already established contacts has that fundamental confidence.

SALES IDEAS OF THE WEEK

STRESSES MOTIVATION

Successful selling of life insurance is largely a mental process plus some personality, said Paul W. Cook, Mutual Benefit Life, Chicago, before the Life Underwriters Association of St. Louis. Successful men have the emotional power to get "hot" about something, and that action inspires emotion just as logic rules reason, said Mr. Cook. An agent can't be a success unless he is able to get himself properly motivated. Two essentials are: Be a positive thinker, and second: Read what other persons write about the life insurance business. "Motivation" is the tying up of ideas and habits with feelings and ambitions. Mr. Cook advocated limited use of visual sales material, saying that it is often abused. Testimonials should be used sparingly. "Don't speak at people; speak with people," he said. The "Keeping Up with the Joneses" idea has helped many life insurance sales.

Substantial 1936 Gains

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Investments made during the year were more largely in public utilities than any other. Its federal bonds are 16 percent of the assets and yield 2.35 percent. Other government bonds are 4.5 percent of the assets. Railroad bonds constitute 11.7 and yield 3.13. On public utilities the yield is 3.43. Total holdings in this class are 17.1. Farm mortgages are 6.5 percent and only \$244,859 new loans were made during the year. "The rapidity with which refunding programs, on the part of corporations having high grade and callable bonds outstanding, has been going on has materially changed the average effective rate of interest upon the company's investments in this type of security," said Mr. Loomis. "Nevertheless, it has been the policy of the company to make suitable investment in individual properties

at current rates of interest, rather than to seek securities of lower quality. We venture the observation that too low a wage for capital may be quite as detrimental to the national welfare as too low a wage for labor."

JEFFERSON STANDARD LIFE

Assets increased by \$5,000,000 last year. There was a net increase of \$7,000,000 in mortgage loan accounts. Real estate holdings decreased by 11 percent, or \$850,000. A substantial decrease was noted in policy loans. Total income exceeded \$15,000,000 and was 10 percent higher than in 1935.

The company paid \$6,300,000 to policyholders and beneficiaries. Approximately \$50,000,000 was sold in new insurance, an increase of 1.2 percent over

the previous year. Insurance in force totaled \$348,000,000.

The mortality rate was 59.6 percent. Heart diseases were the heaviest cause of deaths. There was a slight decrease in claims paid for automobile deaths. During 1936 \$200,000 was added to surplus, bringing it to \$2,200,000. Contingency and reserve accounts were listed at \$1,558,309.

HOME LIFE OF NEW YORK

The Home Life of New York had in 1936 one of the most successful years in its history, assets as of Dec. 31 being more than 25 percent larger than at the end of 1929. At its annual meeting the board of directors voted to continue the 1936 scale, which had already been announced for the first part of 1937. This action was made possible in part because of the net interest rate earned during 1936, which increased from 4.11 percent in 1935 to 4.20 in 1936. In computing these interest rates, all investment expenses were deducted from investment income. Rehabilitation expenses on real estate owned by the company were deducted from current income and treated as investment expenses.

Assets amounted to \$91,218,291 with unassigned surplus in excess of \$3,660,000, an increase in surplus of \$209,102 over the 1935 figure. This surplus does not include \$1,670,000 set aside from 1936 earnings to pay policy dividends in 1937, nor \$400,000 which has been held as a reserve for any unforeseen investment fluctuations and contingencies.

Of the \$32,225,892 invested in bonds, 91.9 percent are given ratings of AAA, AA and A by one or more of the bond rating services accepted by the New York department. Of all the bonds, those of only three corporations are in default, representing less than .4 of 1 percent of the total assets. Total insurance in force has not yet regained the peak figure of 1929 because so many people were forced by the depression to drop their policies, but the last two years have shown very satisfactory gains, it was stated.

President J. A. Fulton observed that policyholders can look upon the financial condition of their companies at the end of 1936 with satisfaction, praising the manner in which life insurance, a distinctly American institution, has withstood the impact of the world's most serious depression. The gains in insurance in force, he said, constitute the most evident proof that we see of the return of prosperity because people are reestablishing their life insurance estates by taking new policies.

COLUMBUS MUTUAL LIFE

In 1936 the Columbus Mutual Life showed a net gain in insurance in force of \$4,395,000, approximately double the net increase the previous year. Assets are \$27,238,000, a gain of over \$2,000,000. The bond portfolio was increased by approximately \$2,000,000. Surplus to policyholders is \$2,128,000, \$62,000 gain. The company thus maintained unbroken its record of 29 years in making annual increases in both assets and surplus. Since Jan. 1, 1930, beginning of the depression, its assets have gained 60 percent, surplus 37 percent. Income was \$6,379,000, over \$2,000,000 in excess of disbursements. Insurance in force totals \$127,500,000. New paid business was \$12,500,000. The mortality ratio was 42 percent. Throughout its career the mortality experience has averaged less than 45 percent of the expected.

GREAT-WEST LIFE

The Great-West Life of Winnipeg shows business in force \$575,844,591; increase over \$9,000,000; new business \$49,706,207, increase \$2,716,959; total income \$27,301,331. Assets are up \$7,409,778, and now total \$150,005,674. Policyholders and beneficiaries received payments amounting to \$15,147,510. The total paid out in this way has been \$182,635,547 since the company began operations in 1892. Payments to beneficiaries arising out of death claims approached a total of \$3,750,000. The

Great-West Life also reports an increase in surplus.

New sales showed consistent improvement in nearly every month and an interesting feature was an increase in the average new sale of slightly over 10 percent. New group insurance sales also showed very substantial improvement. January shows an increase of over 25 percent.

BANKERS LIFE OF IOWA

The Bankers Life of Iowa has assets \$203,609,100 and surplus \$9,061,784. Its bonds have a market value of over \$2,000,000 in excess of the assets value. It has followed a conservative course with regard to its real estate which it has taken over. It has been adjusted from year to year and keeps in harmony with existing sales values. Its investment fluctuation reserve is \$2,500,000. Its dividend reserve for this year is \$4,014,909.

Survey Plan of Approach Is Stressed at Meeting

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the agent to sell as the premium is higher and it has a lower lapse ratio.

People are investment conscious at the present time, said Mr. Amyx. They are interested in safety rather than high return. The life income policy attracts small wage earners. Practically all the life companies have been featuring retirement plans in their national advertising. The social security act is also a big influence in publicizing the need for retirement income. Between the two they pave the way for the agent in making income policy sales.

Men making between \$150 and \$300 a month will not be satisfied with their pension under the social security act, said Mr. Amyx. He asks his prospect, "Do you know what you are going to get at age 65 under your social security act pension?" Although he has been using this approach for some time, no man has yet been able to answer "Yes." Mr. Amyx studies his table and gives the prospect the answer. As a result the prospect thinks Mr. Amyx is on his toes. Mr. Amyx tells the prospect he wants to show him how he can supplement the federal pension to bring it up to an adequate figure.

Mr. Amyx said that the life agent should go after those not coming under the social security act as there has been so much publicity on the pension plan that practically every man on the street has some idea of the program. Right now it gives the agents a real "IN" to sell life income.

Rockwood S. Edwards, general agent, presented awards to sales leaders. Vincent Rukstalis led in number of applications, Al Bluhm was first in accident sales and Arthur E. Hicks led in volume of business and premiums. Mr. Hicks was also a member of the agency's Big Ten club for 12 months.

In addition to the general sessions, those in attendance were divided into three groups. Each group attended three special sessions on life, accident and health and group insurance. The details involved in the Aetna Life new estate control plan were outlined at the life session.

The accident sessions were conducted by P. H. Rogers of the accident department at the home office, who explained the use of the new application and receipt forms recently put into use and answered questions on underwriting practices in connection with the issuance of accident policies.

Aviation Rates Studied

TORONTO, Jan. 28.—With the growth of flying in Canada, and prospects of a trans-continental service being established, the Toronto Actuaries Club is taking the lead in the study of insurance rates and regulations. Life companies' special charges to policyholders taking frequent air journeys now vary considerably, but up to 15 flights per year is customarily allowed without extra premium.

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New Haven, Conn.
Telephone 5-6231

ILLINOIS

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Telephone State 1213
CHICAGO, ILLINOIS

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